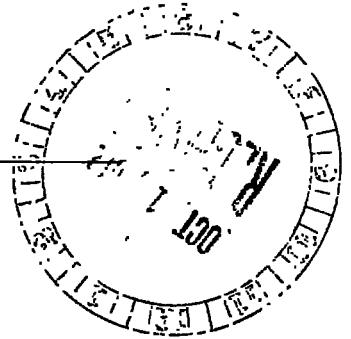


CONTAINS COLOR MAPS

**Before the
Surface Transportation Board**

Finance Docket No. 35638

**NEW JERSEY TRANSIT CORPORATION
– ACQUISITION EXEMPTION –
NORFOLK SOUTHERN RAILWAY COMPANY
IN THE COUNTY OF ESSEX, NEW JERSEY**



VERIFIED NOTICE OF EXEMPTION

Dated: October 1, 2012

Communications with respect to this document
should be addressed to:

**ENTERED
Office of Proceedings**

OCT 01 2012

**Part of
Public Record**

Charles A. Spitulnik ,
W. Eric Pilsk
Allison I. Fultz
Kaplan Kirsch & Rockwell LLP
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E-mail: cspitulnik@kaplankirsch.com
epilsk@kaplankirsch.com
afultz@kaplankirsch.com

Counsel for New Jersey Transit Corporation

FEE RECEIVED

OCT 01 2012

**SURFACE
TRANSPORTATION BOARD**

FILED

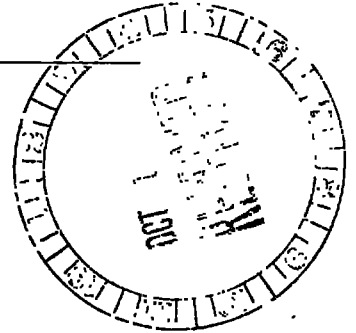
OCT 1 2012

**SURFACE
TRANSPORTATION BOARD**

**Before the
Surface Transportation Board**

Finance Docket No. 35638

**NEW JERSEY TRANSIT CORPORATION
– ACQUISITION EXEMPTION –
NORFOLK SOUTHERN RAILWAY COMPANY
IN THE COUNTY OF ESSEX, NEW JERSEY**



VERIFIED NOTICE OF EXEMPTION

The New Jersey Transit Corporation (“NJ Transit”), an instrumentality of the State of New Jersey pursuant to New Jersey Statutes Annotated 27:25-1 *et seq.*, hereby submits this Notice that it intends to acquire from the Norfolk Southern Railway Company (“NSR”) a portion of the property commonly known as the “Orange Industrial Track” in order to ensure continued access to the Newark City Subway Vehicle Base Facility as part of its transit operation. Specifically, NJ Transit has completed the negotiations with NSR to acquire that 1.3 mile long portion of the Orange Industrial Track from M.P. 8.616 to M.P. 9.905, in Essex County, New Jersey (the “Line”).¹ The Line is shown on the map that is attached at **Exhibit 1** hereto.

NSR will retain an exclusive freight easement for the trackage on the Line preserving NSR’s exclusive right to operate freight service on the entire Orange Industrial Track. NJ Transit will acquire no right or obligation to provide freight service on the Line, and is acquiring the property for the purpose of ensuring access to a maintenance facility to support its light rail operations. NJ Transit is an instrumentality of the State of New Jersey with legal authority only to operate mass transportation services pursuant to New Jersey Statutes Annotated 27:25-1

¹ The entire Orange Industrial Track extends from M.P. 8.50 to M.P. 10.50.

et seq. Usage of the Line will continue to be governed by the Trackage Rights Agreement between NJ Transit, New Jersey Transit Rail Operations, Inc., and Conrail, NSR's predecessor, effective as of October 1, 1984. Relevant portions of the Trackage Rights Agreement are attached as **Exhibit 2**.

NSR succeeded to Conrail's rights and interests in the Trackage Rights Agreement when NSR acquired Conrail's operations in New Jersey. *CSX Corp.—Control and Operating Leases/Agreements—Conrail Inc.*, 3 S.T.B. 196, 282-83 (1998). The Trackage Rights Agreement has allowed Conrail, and subsequently NSR, to provide freight service over tracks used jointly with NJ Transit, including the Line, for many years. NJ Transit's acquisition will not affect or impair NSR's ability to provide freight service over the Line or the remainder of the Orange Industrial Track. As set forth in detail below, NJ Transit will not acquire sufficient control over dispatching or maintenance of the Line to interfere with NSR's freight operations.

This Notice of Exemption is filed under 49 C.F.R. § 1150.31(1) *et seq.* because NJ Transit is a non-carrier. *See New Jersey Transit Corporation – Acquisition Exemption – Certain Assets of Consolidated Rail Corporation*, STB Finance Docket No. 33786 (Service Date Feb. 15, 2000) (Dismissing Notice of Exemption for acquisition by NJ Transit of the 31.83 mile Bordentown Secondary Track from Conrail). Because NJ Transit will not acquire either rights or obligations that implicate in any way the existing freight common carrier operations on the Line, and thus will not become a rail carrier providing transportation subject to the jurisdiction of the Board, NJ Transit is simultaneously filing a Motion to Dismiss this Notice of Exemption.

In accordance with the requirements of 49 C.F.R. § 1150.33, NJ Transit submits the following information:

- (a) *The full name and address of the applicant, 49 C.F.R. § 1150.33(a)*

New Jersey Transit Corporation
One Penn Plaza East
Newark, New Jersey 07105-02246

- (b) *The name, address and telephone number of the representative of the applicant who should receive correspondence, 49 C.F.R. § 1150.33(b)*

Charles A. Spitulnik
W. Eric Pilsk
Allison I. Fultz
Kaplan Kirsch & Rockwell LLP
1001 Connecticut Avenue, N.W.
Suite 800
Washington, DC 20036
(202) 955-5600

- (c) *A statement that an agreement has been reached or detail about when an agreement will be reached, 49 C.F.R. § 1150.33(c)*

NJ Transit and NSR have completed the negotiations for several agreements related to NJ Transit's acquisition of the Line, and have executed the agreements relating to this transaction. First, on May 7, 2012, the parties executed the Exchange Agreement, which set forth their agreement for NJ Transit to transfer to NSR a segment of track known as the "Secaucus Track"² and for NSR to transfer the Line to NJ Transit. A copy of the fully executed Exchange Agreement is attached hereto as **Exhibit 3**. Second, on May 4, 2012, NSR executed a Quitclaim Deed for the Line in favor of NJ Transit, which includes a reservation for NSR of an exclusive, perpetual railroad easement for the purpose of permitting NSR to continue providing freight service on the Line. A copy of the fully executed Quitclaim Deed is attached hereto as **Exhibit 4**. NJ Transit and NSR have closed the transaction for the transfer of real property in escrow pending the outcome of this exemption proceeding. Third, on August 7, 2012, the parties executed the Second Operating Agreement for the Orange Industrial Track, which will govern the operations, rights and obligations of NSR and NJ Transit on the Line and the remainder of the Orange Industrial Track following the consummation of the transaction. A copy of the fully executed Second Operating Agreement for the Orange Industrial Track is attached hereto as **Exhibit 5**. As set forth at Section 2 of the Second Operating Agreement (**Exhibit 5** hereto), the Line will be classified as "Category NFP Rail Property" and "Category NF Rail Property", which together constitute "NJTRANSIT Rail Properties", as described at Sec. 3.01 of the Trackage Rights Agreement, attached

²The Secaucus Track is adjacent to NSR's Croxton Yard. NSR has represented that the Secaucus Track is properly classified as industrial lead track, and that as a result, approval from the STB for acquisition of this track is not necessary. See Verified Statement of M. David Gooden, NSR's Division Superintendent, Harrisburg Division, attached to NJ Transit's Motion to Dismiss as **Exhibit A**.

hereto as **Exhibit 2**. These designations refer to property owned by NJ Transit over which NSR has retained a freight operating easement. Section 2 of the Second Operating Agreement refers to the Trackage Rights Agreement, which prohibits NJ Transit from exercising its rights over NJ Transit Rail Properties in a manner that would unreasonably interfere with NSR's operations. Trackage Rights Agreement, attached as **Exhibit 2**, Sec. 3.01.

- (d) *The operator of the property*, 49 C.F.R. § 1150.33(d)

The Quitclaim Deed transfers to NJ Transit legal title of the Line, *provided however* that NSR retains "the exclusive, perpetual, transferable, assignable and irrevocable retained rail freight rights" on the entire rail line. *See*, Quitclaim Deed (**Exhibit 4** to this Notice). NSR therefore has the ongoing exclusive obligation to provide freight service on the Line and NJ Transit has not acquired any such rights or obligations.

- (e) *A brief summary of the proposed transaction*, 49 C.F.R. § 1150.33(e)

- (1) *The name and address of the railroad transferring the subject property*, 49 C.F.R. § 1150.33(e)(1)

Norfolk Southern Railway Company
Three Commercial Place
Norfolk, Virginia 23510

- (2) *The proposed time schedule for the consummation of the transaction*, 49 C.F.R. § 1150.33(e)(2)

The transaction between NJ Transit and NSR occurred on May 7, 2012. The Exchange Agreement and Deed were placed in escrow pending the conclusion of this exemption proceeding, at which time the transaction will be consummated.

- (3) *The mile-posts of the subject property, including any branch lines*, 49 C.F.R. § 1150.33(e)(3)

The portion of the Orange Industrial Track acquired by NJ Transit from M.P. 8.616 to M.P. 9.905 in Essex County, New Jersey.

- (4) *The total route miles being acquired*, 49 C.F.R. § 1150.33(e)(4)

The total mileage of the lines to be acquired is approximately 1.3 miles.

- (f) *A map that clearly indicates the area to be served, including origins, terminals, stations, cities, counties and states*

See **Exhibit 1**.

- (g) *A certificate that applicant's projected revenues do not exceed those that would qualify it as a Class III carrier*

NJ Transit would not conduct any rail carrier operations and therefore the projected rail carrier revenues of NJ Transit would not exceed those that would qualify NJ Transit as a Class III rail carrier. See NJ Transit's Verification and Certification, attached.

- (h) *Transactions Imposing Interchange Commitments*

The proposed transaction does not involve a provision or agreement that would limit future interchange with a third-party connecting carrier.

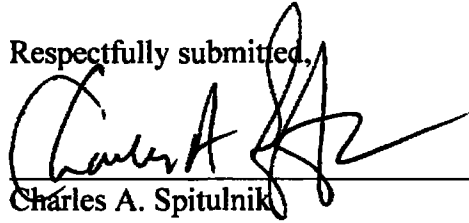
Pursuant to 49 C.F.R. § 1105.6(c)(2), NJ Transit's proposed acquisition of the Line is exempt from environmental reporting requirements because the railroad operations on the line segment that is subject to the Board's jurisdiction will not be affected by the acquisition by NJ Transit. See 49 C.F.R. § 1105.6(c)(2).

Similarly, under 49 C.F.R. § 1105.8(b)(1), NJ Transit's proposed acquisition of the Line is exempt from historic preservation reporting requirements. The proposed acquisition and operating agreement are for the purpose of continuing the status quo. Further Board approval would be required for NSR to discontinue or abandon any freight service that NSR currently offers or is able to offer on the Line. No changes to any existing facilities are proposed as the result of or in connection with the transaction. Therefore, the acquisition will not have any effect on properties subject to Board jurisdiction that are fifty years old or older.

A proposed caption summary for publication in the Federal Register is attached hereto as

Exhibit 6.

Respectfully submitted,



Charles A. Spitulnik

W. Eric Pilsk

Allison I. Fultz

Kaplan Kirsch & Rockwell LLP

1001 Connecticut Avenue, N.W.

Suite 800

Washington, DC 20036

Tel: (202) 955-5600

Emails: cspitulnik@kaplankirsch.com

epilsk@kaplankirsch.com

afultz@kaplankirsch.com

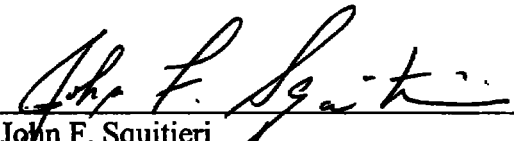
Counsel for New Jersey Transit Corporation

Dated: October 1, 2012

VERIFICATION AND CERTIFICATION

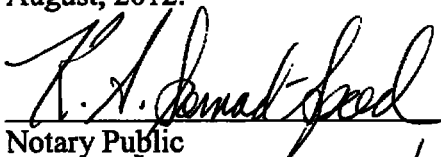
I, John F. Squitieri, Deputy General Manager, Light Rail Operations of the New Jersey Transit Corporation, verify under penalty of perjury that the facts recited in the foregoing Notice of Exemption are true and correct. Further, I certify that I have personal knowledge of the facts stated therein and that I am authorized to verify these facts stated in this Verified Notice of Exemption.

In addition, this is to certify, as required by 49 C.F.R. § 1150.43(g) that, because the New Jersey Transit Corporation will conduct no freight operations on the line segments being acquired, its revenues from freight operations will not result in the creation of a Class I or Class II carrier.



John F. Squitieri
Deputy General Manager, Light Rail
Operations
New Jersey Transit Corporation

Subscribed and sworn to
before me this 27th day of
August, 2012.



Notary Public

My commission expires: 2/8/2016

KIM A. SAMAD-SPEED
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 2/8/2016

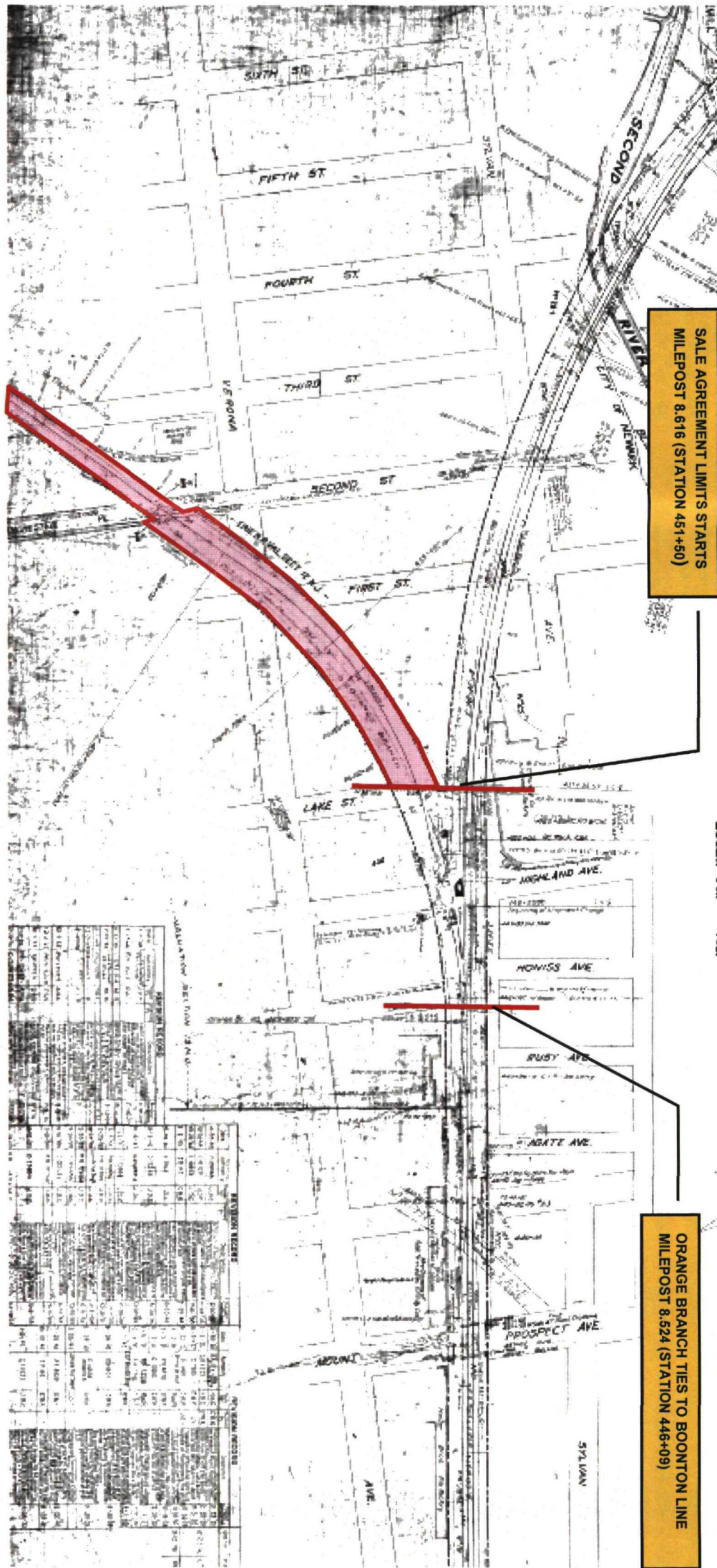
Exhibit 1

Map of the Line

[attached hereto]

SALE AGREEMENT LIMITS STARTS
MILEPOST 8.616 (STATION 451+50)

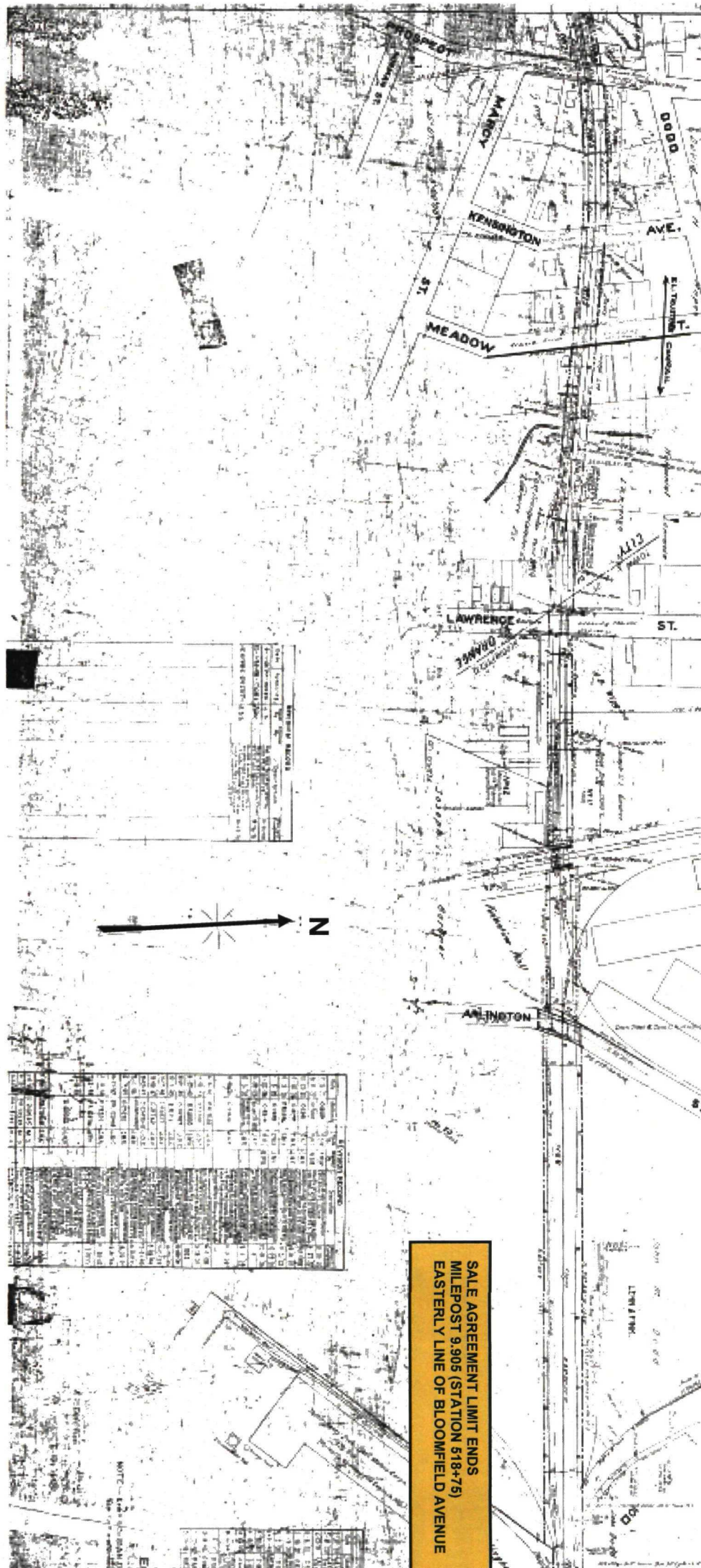
ORANGE BRANCH TIES TO BOONTON LINE
MILEPOST 8.524 (STATION 446+09)



NOTE:

A FULL SIZE SET OF MAPS IS AVAILABLE IN THE OFFICES OF NEW JERSEY TRANSIT CORPORATION, ONE PENN PLAZA EAST, NEWARK, NJ 07105

SECTION RECORD		SECTION RECORD	
Station	Distance	Station	Distance
446+09	0.00	451+50	0.00
446+10	0.01	451+51	0.01
446+20	0.11	451+61	0.11
446+30	0.21	451+71	0.21
446+40	0.31	451+81	0.31
446+50	0.41	451+91	0.41
446+60	0.51	452+01	0.51
446+70	0.61	452+11	0.61
446+80	0.71	452+21	0.71
446+90	0.81	452+31	0.81
447+00	0.91	452+41	0.91
447+10	1.01	452+51	1.01
447+20	1.11	452+61	1.11
447+30	1.21	452+71	1.21
447+40	1.31	452+81	1.31
447+50	1.41	452+91	1.41
447+60	1.51	453+01	1.51
447+70	1.61	453+11	1.61
447+80	1.71	453+21	1.71
447+90	1.81	453+31	1.81
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448+20	2.11	453+61	2.11
448+30	2.21	453+71	2.21
448+40	2.31	453+81	2.31
448+50	2.41	453+91	2.41
448+60	2.51	454+01	2.51
448+70	2.61	454+11	2.61
448+80	2.71	454+21	2.71
448+90	2.81	454+31	2.81
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449+30	3.21	454+71	3.21
449+40	3.31	454+81	3.31
449+50	3.41	454+91	3.41
449+60	3.51	455+01	3.51
449+70	3.61	455+11	3.61
449+80	3.71	455+21	3.71
449+90	3.81	455+31	3.81
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450+30	4.21	455+71	4.21
450+40	4.31	455+81	4.31
450+50	4.41	455+91	4.41
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450+70	4.61	456+11	4.61
450+80	4.71	456+21	4.71
450+90	4.81	456+31	4.81
451+00	4.91	456+41	4.91
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451+70	5.61	457+11	5.61
451+80	5.71	457+21	5.71
451+90	5.81	457+31	5.81
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452+90	6.81	458+31	6.81
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453+30	7.21	458+71	7.21
453+40	7.31	458+81	7.31
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453+70	7.61	459+11	7.61
453+80	7.71	459+21	7.71
453+90	7.81	459+31	7.81
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454+30	8.21	459+71	8.21
454+40	8.31	459+81	8.31
454+50	8.41	459+91	8.41
454+60	8.51	460+01	8.51
454+70	8.61	460+11	8.61
454+80	8.71	460+21	8.71
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455+40	9.31	460+81	9.31
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455+80	9.71	461+21	9.71
455+90	9.81	461+31	9.81
456+00	9.91	461+41	9.91
456+10	10.01	461+51	10.01
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456+40	10.31	461+81	10.31
456+50	10.41	461+91	10.41
456+60	10.51	462+01	10.51
456+70	10.61	462+11	10.61
456+80	10.71	462+21	10.71
456+90	10.81	462+31	10.81
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457+30	11.21	462+71	11.21
457+40	11.31	462+81	11.31
457+50	11.41	462+91	11.41
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463+40	17.31	468+81	17.31
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463+80	17.71	469+21	17.71
463+90	17.81	469+31	17.81
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467+80	21.71	473+21	21.71
467+90	21.81	473+31	21.81
468+00	21.91	473+41	21.91
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468+20	22.11	473+61	22.11
468+30	22.21	473+71	22.21
468+40	22.31	473+81	22.31
468+50	22.41	473+91	22.41
468+60	22.51	474+01	22.51
468+70	22.61	474+11	22.61</



STREET INDEX

Street Name	Block	Page
Prospect St	1-10	1-10
Kensington Ave	1-10	1-10
Meadow St	1-10	1-10
Lawrence St	1-10	1-10
Annapolis St	1-10	1-10

STREET INDEX

Street Name	Block	Page
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Meadow St	1-10	1-10
Lawrence St	1-10	1-10
Annapolis St	1-10	1-10

SALE AGREEMENT LIMIT ENDS
 MILEPOST 9.905 (STATION 518+75)
 EASTERLY LINE OF BLOOMFIELD AVENUE

NOTE:

A FULL SIZE SET OF MAPS IS AVAILABLE IN THE OFFICES OF NEW JERSEY TRANSIT CORPORATION, ONE PENN PLAZA EAST, NEWARK, NJ 07105

SALE OF ORANGE
 MILEPOST 8.616 T
 APPROXIMATE TC
 VAL. SECTION: 12
 LINE CODE 6170
 DESIGNATED "NF"
 MILE POST 9.839 ()
 DATE: MAY 2, 201

Exhibit 2

Trackage Rights Agreement - Excerpts

[attached hereto]

Excerpts

TRACKAGE RIGHTS AGREEMENT

BETWEEN

**NEW JERSEY TRANSIT CORPORATION,
NEW JERSEY TRANSIT RAIL OPERATIONS, INC.**

AND

CONSOLIDATED RAIL CORPORATION,

EFFECTIVE OCTOBER 1, 1984

ARTICLE III

MANAGEMENT AND OPERATIONS.

Section 3.01 NJTRANSIT Rail Properties

(a) NJTRANSIT retains the right to establish the overall policies governing the management and operational control of NJTRANSIT Rail Properties, including, but not limited to the dispatching and control of all trains. NJTRANSIT's right shall not be exercised in a manner which would unreasonably interfere with Conrail's Trackage Rights.

(b) The scheduling and movement of passenger trains and equipment shall take preference over all other train scheduling and movements. NJTRANSIT shall provide thirty (30) days written notice of changes in passenger train schedules of more than 10 minutes from origin or destination or changes by way of additional train service.

(c) Conrail's freight operating rights described in this Agreement are for the sole purpose of permitting Conrail to operate its road and local freight trains, as identified in Exhibit No. 3, as well as emergency trains, special trains, locomotives, switching movements, and other on-track equipment.

(d) Subject to thirty (30) days written notice to NJTRANSIT, Conrail shall have the right to amend the level of its freight service described in Exhibit No. 3 (Conrail's Classification and Schedule of Freight Service dated 10/1/84); provided, however, that the character, scheduling or extent of the amended freight service to be rendered under this Agreement shall not unreasonably interfere with existing or planned uses of NJTRANSIT Rail Properties.

(e) NJTRANSIT reserves the right to operate special or emergency trains and other on-track equipment over NJTRANSIT Category NP Rail Properties.

ARTICLE IV

MAINTENANCE AND CONSTRUCTION ON RAIL PROPERTIES

Section 4.01 Responsibility For Maintenance, Replacement,
Construction, Reconstruction, and Alteration
of NJTRANSIT Rail Properties

(a) NJTRANSIT Rail Properties

(1) NJTRANSIT has the right to establish the overall policies governing, and the implementation thereof, routine and non-routine maintenance, replacement, construction, reconstruction, alteration and removal of all NJTRANSIT Rail Properties.

(b) NFP Property - NJTRANSIT Responsibility

(1) NJTRANSIT or designee shall perform routine and non-routine track maintenance together with the maintenance of signal appliances and derails, if any, for the portion of solely freight sidings located between the point of switch and the clearance point and any solely freight crossover out of the main track.

All routine and non-routine maintenance expenses incurred by NJTRANSIT related to these facilities are not included in car-mile reimbursement in Section 5.02 (a) hereto. The expenses will be billed to Conrail. Such facilities are listed on Exhibit No. 5. For turnouts designated by Note 1 on Exhibit No. 5, NJTRANSIT shall perform the routine maintenance at its sole cost and expense and Conrail shall be responsible only for non-routine maintenance expenses only.

For purposes of this Agreement, routine maintenance shall be that work performed by section forces generally limited to inspections, switch stand and rod adjustments, lubricating, welding, respiking, spot surfacing and tamping, signal department tests and inspection, and programmed turnout surfacing by either section or program forces. The cost of such work shall be charged to Conrail in accordance with Section 5.05(d). Non-routine maintenance shall be that work generally performed and programmed on a cycle, on a project or emergency basis, consisting of partial or entire replacement of switch timbers, ties, metal materials, ballast, switch stands, signal apparatus, and derails, if any. This may be performed by program gang or section forces. The cost of such work shall be charged to Conrail in accordance with Section 5.06.'

Whenever in the sole opinion of NJTRANSIT, any existing solely freight facility located between the point of switch and the clearance point and any solely freight crossover out of the main track requires non-routine maintenance, NJTRANSIT shall prepare and provide to Conrail an estimate of the costs based on the provisions set forth in Section 5.06 for the work required. Within sixty (60) days after receipt of the aforesaid estimate Conrail shall advise NJTRANSIT whether the solely freight facility is required for the performance of Conrail's freight service. In the event that Conrail advises that said solely freight facility is required for the performance of Conrail's freight service, NJTRANSIT, shall perform or arrange to have performed the aforesaid non-routine maintenance, Conrail shall pay NJTRANSIT in accordance with the provisions of Section 5.06. In the event that Conrail advises that said solely freight facility is not required for the performance of Conrail's

freight service, as provided for in this Agreement, the provisions of Section 4.03 shall apply. In the event that Conrail fails to reply to the estimate prepared by NJTRANSIT, NJTRANSIT shall submit a second notice to Conrail. If Conrail has not replied within forty-five (45) days to the second notice, NJTRANSIT shall have the right to remove such facility. In the event an emergency situation occurs which requires the total or partial replacement of a solely freight facility, NJTRANSIT shall proceed with the work and bill Conrail in accordance with the provisions of Section 5.06 or 5.07 as applicable.

(2) With respect to certain solely freight facilities located beyond the clearance point as identified in Exhibit No. 6, NJTRANSIT or designee agrees to perform routine and non-routine maintenance as defined herein at Conrail's sole cost and expense. Conrail agrees that the level of maintenance to be performed by NJTRANSIT shall be at FPA Class I.

For purposes of this Agreement, routine maintenance of the facilities shall be that work performed by section forces generally limited to inspection, lubricating, welding, respiking, spot surfacing and tamping. The cost of such work shall be charged to Conrail in accordance with Section 5.05(e).

For purposes of this Agreement, nonroutine maintenance of the facilities shall be that work generally performed and programmed on a cycle or project basis, consisting of partial or entire replacement of ties, metal materials, ballast, switch stands, signal apparatus and derails, if any. This work may be performed by program or section forces. Replacement, construction, reconstruction, and alteration are also considered as non-routine maintenance. Whenever

in the sole opinion of NJTRANSIT, any existing solely freight facility requires non-routine maintenance, NJTRANSIT shall prepare and provide to Conrail an estimate of the cost based on the provisions set forth in Section 5.07 for the work required. Within sixty (60) days after receipt of the aforesaid estimate Conrail shall advise NJTRANSIT whether the solely freight facility is required for the performance of Conrail's freight service. In the event that Conrail advises that said solely freight facility is required for the performance of Conrail's freight service, NJTRANSIT shall perform or arrange to have performed the aforesaid non-routine maintenance, and Conrail shall pay NJTRANSIT in accordance with the provisions of Section 5.07. In the event that Conrail notifies NJTRANSIT that it does not wish to have the work performed, NJTRANSIT's maintenance responsibility shall terminate. In the event Conrail fails to reply to the estimate prepared by NJTRANSIT, NJTRANSIT shall submit a second notice to Conrail. If Conrail has not replied within forty-five (45) days to the second notice, NJTRANSIT's maintenance responsibility shall terminate. In the event a derailment or other event occurs which destroys a solely freight facility and requires the total or partial replacement, NJTRANSIT shall proceed with the work and bill Conrail in accordance with the provisions of Section 5.07.

(c) NPP Rail Properties - Solely Freight Facilities -- Conrail Responsibility

(1) Except for those facilities maintained by NJTRANSIT pursuant to Section 4.01(b)(4) and Exhibit No. 6 of this Agreement, NJTRANSIT, for the sum of one dollar, hereby leases to Conrail those

portions of NJTRANSIT Category NPP Rail Properties not now maintained by or leased to third parties beyond the clearance point of each main track freight turnout for the purpose of Conrail's maintenance obligations included but not limited to utilities, brush control, etc., set forth in this Agreement.

(2) This lease shall commence on the execution of this Agreement and shall automatically terminate for each portion of NJTRANSIT Category NPP Properties when Conrail abandons service on that portion pursuant to Section 9 of this Agreement. Conrail may enter into a sublease for such properties.

(3) In the event that any replacement, construction or alteration will result in a change in weight of rail, grade, alignment or location, as well as removal, Conrail shall obtain the written approval of NJTRANSIT prior to undertaking any work whose approval shall not be unreasonably withheld.

(4) Conrail shall be responsible for compliance with the provisions of applicable regulations of the Federal Railroad Administration including, but not limited to, a petition to the FRA for the assignment of maintenance responsibilities pursuant to 49 C.F.R. 213.5 and other entities with regulatory authority over the rail industry as well as federal, state and municipal laws regarding the condition of the solely freight facilities on NPP Rail Properties. Conrail shall also indemnify, protect, and defend against all fines, penalties, and liabilities imposed under such laws and regulations.

(d) NP Rail Properties - Conrail Responsibility

(1) Maintenance of right of way and maintenance of facilities located on NP Rail Properties shall be performed by Conrail or its designee at its sole cost and expense.

(2) Conrail, subject to Section 3.03(a)(3), shall determine the level of and requirements for maintenance as long as no NJTRANSIT use is scheduled for these facilities or until freight service thereon is abandoned by Conrail. If NJTRANSIT intends to institute passenger service over Category NP lines, Conrail shall have one hundred twenty (120) days after NJTRANSIT's written notice to restore the track to the level of maintenance as of January 1, 1983. In the event that NJTRANSIT initiates passenger service or Conrail discontinues freight service on any of these properties, and it is then determined that Conrail has not maintained these properties at or brought them to, the level of maintenance as of January 1, 1983, NJTRANSIT shall have the right to perform the necessary work within one (1) year from the date of the Conrail's abandonment of service and Conrail shall reimburse NJTRANSIT for the cost thereof pursuant to Section 5.07.

(3) In the event that any such replacement, construction or alteration will result in a change in weight of rail, grade, alignment or location, as well as removal, Conrail shall obtain the written approval of NJTRANSIT prior to undertaking any work. NJTRANSIT's approvals shall not be unreasonably withheld.

(4) Conrail shall also be responsible for compliance with the provisions of applicable regulations of the Federal Railroad Administration including, but not limited to, a petition to the FRA for the assignment of maintenance responsibilities pursuant to 49 C.F.R. 213.5 and other entities with regulatory authority over the rail industry as well as federal, state and municipal laws regarding the condition of Rail Properties. Conrail shall also indemnify, protect, and defend against all fines, penalties, and liabilities imposed under such regulations.

(5) Conrail shall also be responsible for all costs associated with the operation of the facilities including but not limited to utilities, brush control, etc.

Exhibit 3

Exchange Agreement

[attached hereto]

EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (the "Agreement"), entered into as of this 7th day of May, 2012, by and between New Jersey Transit Corporation, an instrumentality of the State of New Jersey ("NJ TRANSIT"), and Norfolk Southern Railway Company, a Virginia corporation ("NS")

WHEREAS, NJ TRANSIT owns and operates rail lines located in the State of New Jersey, including a portion of a rail line, that was severed from NJ TRANSIT'S Bergen County Line from Milepost 4.04 to Milepost 4.980, and relocated to enable construction of the new Secaucus Transfer Station in the Town of Secaucus, County of Hudson, State of New Jersey (hereinafter referred to as the "Secaucus Track") and more fully described herein, and

WHEREAS, NS owns and operates rail lines located in the State of New Jersey, including a rail line known as the Orange Industrial Track, located in the Townships of Belleville and Bloomfield and the City of Newark, County of Essex, New Jersey (hereinafter referred to as the "Orange Industrial Track") and more fully described herein, and

WHEREAS, NJ TRANSIT wishes to obtain ownership of a portion of the Orange Industrial Track from M.P. 8.616 to M.P. 9.905, pursuant to its authority to acquire property under N.J.S.A. 27:25-13 in order to insure continued access to the Newark City Subway Vehicle Base Facility; and

WHEREAS, NS desires to obtain ownership of the Secaucus Track in order to expand its adjacent railroad yard; and

WHEREAS, the parties have determined that it is in their mutual interests to exchange ownership of the Orange Industrial Track and the Secaucus Track and have reached agreement concerning the terms and conditions of that exchange; and

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Definitions

As used in this Agreement, the following terms have the following respective meanings:

- A. "Orange Industrial Track" means that portion of the Orange Industrial Track, Line Code 6170, from Milepost 8.616 to Milepost 9.905, 1.3 miles long from the cutoff point of the Boonton Line to the easterly line of Bloomfield Avenue, consisting of 11.86 acres located in the Townships of Belleville and Bloomfield and the City of Newark, all in Essex County, more particularly described in Exhibit A, attached hereto and made a part hereof, and, except as may be specifically reserved, all buildings, improvements and appurtenances thereunto belonging and all fixtures attached to or located on the said real estate as of the date of Closing, including but not limited to rail and other track materials, ties, wires, pipes, conduits, electrical or mechanical signal devices, and all other appurtenant devices and all interests of NS, if any, in and to tenancies, easements, rights, licenses, permits, occupancies, agreements, and privileges pertaining to the said real estate, as more particularly described on Exhibit A-1 or except as specifically reserved in Exhibit A-1.

- B. "Secaucus Track" means a portion of the Bergen County Line from Milepost 4.04 to Milepost 4.980, .95 miles long, consisting of 11.59 acres located in the Town of Secaucus, Hudson County, more particularly described in Exhibit C, attached hereto and made a part hereof and, except as may be specifically reserved, all buildings, improvements and appurtenances thereunto belonging and all fixtures attached to or located on the said real estate as of the date of Closing, including but not limited to rail and other track materials, ties, wires, pipes, conduits, electrical or mechanical signal devices, and all other appurtenant devices and all interests of NJ TRANSIT, if any, in and to any tenancies, easements, rights, licenses, permits, occupancies, agreements, and privileges pertaining to the said real estate, as more particularly described in Exhibit C-1.

- C. "DEP" means the Department of Environmental Protection of the State of New Jersey.

- D. "Hazardous Substance" means the following:
 - 1. any substance, chemical or waste that is listed as hazardous, toxic or dangerous under any applicable federal, state, county or local statute, rule, regulation, ordinance or order;
 - 2. any hazardous substance, pollutant or contaminant as defined in Sections 101(14) and (33) of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601(14) and (33)) or 40 C.F.R. Part 302 or any replacement thereof; and,
 - 3. any Hazardous Substance, as that term is defined in the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11b(k) and b(p), or the New Jersey Underground Storage of Hazardous Substances Act, N.J.A.C. 7:14B-1.6, and any amendments thereto and any regulations promulgated thereunder.

- E. "Lease" means the agreement entitled "Sub-Lease Agreement" dated the 28th day of July, 1999, between Norfolk Southern Railway Company, as Sublessor, and New Jersey Transit Corporation, as Sublessee for a portion of the Orange Industrial Track between Milepost 9.156± to Milepost 9.83±.

- F. "Legal Requirements" means all laws, statutes, codes, ordinances, orders, regulations and requirements of all federal, state, county and municipal governments, departments, boards, authorities, agencies, officials and officers.

- G. "Operating Agreement" means the Second Operating Agreement for the Orange Industrial track between NS and NJ TRANSIT, dated as of the date of this Agreement, the form of which is attached hereto as Appendix C.

- H. "Property" means and refers to either the Orange Industrial Track or the Secaucus Track as the context shall require.
- I. "Reasonable Investigation" for purposes of Paragraphs VI and VII shall mean a review of available files maintained by the applicable railroad's environmental protection department.
- J. "Transferor" and "Transferee" shall have the meaning either NJ TRANSIT or NS or both as the context shall require.
- K. "Title Insurer" means a title insurance company authorized to do business in the State of New Jersey selected by NS and/or NJ TRANSIT, as the case may be.

SECTION I

PURCHASE AND SALE OF LINES

A. Transfer of Orange Industrial Track. Subject to the terms and conditions of this Agreement, NS agrees to transfer and convey to NJ TRANSIT, and NJ TRANSIT agrees to acquire from NS, all the right, title, and interest of NS in and to the portion of the Orange Industrial Track as described in Exhibits A and B attached hereto and made a part of this Agreement.

B. Transfer of Secaucus Track. Subject to the terms and conditions of this Agreement, and in consideration of NS's agreement to forego and waive its right to collect rental for the Orange Industrial Track in arrears for the year 2005 through the Closing, NJ TRANSIT agrees to transfer and convey to NS, and NS agrees to acquire from NJ TRANSIT, all the right, title, and interest of NJ TRANSIT in and to the Secaucus Track as described in Exhibits C and D.

C. Purchase Price. The parties agree that the consideration recited herein is sufficient for the transfer of title of the properties and for the other obligations undertaken in this Agreement.

D. Title. Title to each of the Properties shall be conveyed simultaneously at Closing by Quitclaim Deed without covenants or warranties of any nature except those specifically set forth in this Agreement.

E. Post-Closing Maintenance and Operation. The parties hereby agree that post-Closing responsibilities for the ongoing maintenance and operation of the Orange Industrial Track shall be as provided in the Operating Agreement.

F. Free of Liens. Title to the Properties shall be conveyed free of tax or other liens for the payment of money. Each party shall make its best efforts to obtain the release of any such liens prior to Closing at its own cost and expense. If Transferor is unable to obtain the release of any such liens prior to Closing, it will deliver to Transferee and/or Transferee's title insurance company a letter of indemnification in the form set forth in Exhibit E, attached hereto and made a part hereof.

G. Possession. Possession of each Property shall be delivered "as is" on the date of Closing, subject to the provisions of Subsection F above regarding Liens and to any state of facts that an accurate survey or a prudent inspection of the Property would disclose, except as otherwise expressly provided herein, and to any necessary regulatory approvals for the transfer or use of the Property.

H. Reservation of Rail Freight Easement. NS shall reserve the following easement on the Orange Industrial Track : A perpetual, irrevocable, exclusive easement for Freight Service (including trackage rights) which does not unreasonably interfere with commuter operations but provides NS access and operating rights sufficient to fulfill NS's common carrier obligation to provide Freight Service over the Orange Industrial Track, provided, however, that (1) such easement shall be assignable for such purposes only to: (a) NS' successors in interest; or (b) NS' assignees, independent contractors or agents which operate such Freight Service or any part thereof; (2) the use of such easement shall be in accordance with and subject to the terms and conditions set forth in Operating Agreement entered into by and between the parties on the same date as this Agreement. Any assignee must be a rail carrier and have sufficient financial assets and income to comply with all of NS's obligations under the Easement as well as the Operating Agreement. Moreover and notwithstanding any other provision of this Agreement or the Operating Agreement, NS confirms that it will be in NS's best interests to abandon its rights and obligations to provide Freight Service on the Orange Industrial Track if NS does not utilize such easement for the revenue movement of freight traffic for a period of four years, and that in the event no such NS revenue traffic moves on the line during a consecutive four year period, NS shall commence an abandonment proceeding to terminate its common carrier obligation on the Orange Industrial Track before the United States Surface Transportation Board and/or any other authorized government agency. NS's easement shall terminate upon consummation of the abandonment authority that is provided by the Surface Transportation Board. This obligation shall survive the closing of title to the Orange Industrial

Track. The text of the reserved Freight Easement is contained in Exhibit A-2 attached hereto

1. Lease Cancellation and Waiver of Rent The parties agree that the Lease will terminate on the Closing Date. Furthermore, NS agrees to forego and waive its right to collect rental for the Orange Industrial Track in arrears for the year 2005 through the Closing.

SECTION II

GOVERNMENTAL APPROVALS

A. Preparation and Filing.

1. NJ TRANSIT shall on its own behalf and at its own cost and expense, prepare and file with any federal, state or local regulatory agency or department that has jurisdiction over all or any part of the transaction contemplated by this Agreement, all applications, petitions, requests, notices or other necessary filings, including a notice of exemption from approval by the Surface Transportation Board ("STB") or Department of Transportation ("DOT"), or any of its agencies. NJ TRANSIT shall prepare and file with the STB a Motion to Dismiss the Notice of Exemption in order to obtain the STB's determination that NJ TRANSIT will not become a rail carrier subject to STB jurisdiction as a result of the transaction contemplated by this Agreement. NJ TRANSIT and NS shall take all actions necessary and prudent to obtain any requisite approvals, waivers, other authorizations, or exemptions from the necessity of such approvals, to permit consummation of the transaction contemplated by this Agreement at the earliest practicable date. Prior to the filing of any documents by NJ TRANSIT with the STB, NJ TRANSIT shall submit the documents to NS and NS shall have the right promptly to review and approve all such documents prior to filing and, upon its approval of such documents, NS shall support fully the efforts of NJ TRANSIT to obtain such governmental approvals or exemptions.

2. NJ TRANSIT shall prepare and file such documents not later than 14 days after the execution of this Agreement or ten days after NS has provided its final approval of such documents, whichever is the later date. NS shall at its own expense and upon a request from NJ TRANSIT, support NJ TRANSIT's position with respect to any petition to reopen, reconsider or stay a regulatory notice, order, authorization or decision approving, exempting or allowing this transaction or any part thereof. In addition, NS at its cost and expense, shall participate in NJ TRANSIT's or the governmental agency's

defense of any judicial action brought by any person challenging or otherwise contesting any necessary regulatory approval or exemption or contesting the right of either party to consummate this transaction.

B. Responsibility for Labor Protection. It is the intention of the parties that each party shall bear the full cost of protection of its own employees under employee protective conditions which may be imposed on it by the STB or which apply under any agreements made by either party with its respective employees, and of grievances filed by its own employees under its collective bargaining agreements with its employees. The party held responsible for protection or grievances by this section II.B shall and hereby does release, indemnify, protect, defend and hold harmless the other party (and its officers, directors, agents and employees) from and against such responsibility.

SECTION III

CLOSING

A. Conditions Precedent. The obligations of the parties to effect Closing are subject to the following conditions precedent:

1. NJ TRANSIT shall have performed and complied with all terms and conditions required by this Agreement to be performed by NJ TRANSIT prior to Closing.
2. NS shall have performed and complied with all terms and conditions required by this Agreement to be performed by NS prior to Closing.
3. NJ TRANSIT shall have obtained any STB approval or exemption of, or decision concerning the transaction contemplated by this Agreement if required by law.
4. The STB exemptions, approvals, waivers or rulings (including the STB ruling on the Motion to Dismiss) with respect to the transaction are not subject to any condition that either NJ TRANSIT or NS reasonably determines to be unacceptable. The imposition of labor protective conditions consistent with or not more burdensome than those contemplated in the Application or Petition for or Notice of Exemption filed with the STB pursuant to Section II hereof shall be deemed to be acceptable to NJ TRANSIT and NS. In addition, any conditions imposed shall be presumed to be acceptable unless the affected party gives notice to the other within ten business days of the service date of the STB exemption, approval decision or order that the condition is unacceptable, and the reason therefor.

5. Any other governmental or regulatory approvals, authorizations or exemptions necessary under State, federal or local law or regulation for consummation of the transaction have been obtained and are not subject to any environmental, labor protective or other condition, requirement or mitigation action that NJ TRANSIT or NS determines to be unacceptable.

6. The representations the parties set forth in this Agreement shall be true at Closing, or, if modified in writing by either party prior to or at Closing, any such modification is acceptable to the other party. If any such modification is not acceptable to the other party, then the other party may terminate this Agreement.

7. Date and Place. Closing of title will be held at the office of New Jersey Transit Corporation, One Penn Plaza East, Newark, New Jersey, 07105, or at a mutually agreeable location, on a mutually agreeable date ("Closing Date") that is not later than forty-five (45) days after the STB grants NJ TRANSIT's Motion to Dismiss its notice of exemption. Closings for both properties will occur concurrently.

B. Delivery of Documents.

1. At or before the Closing, each party shall deliver to the other the following documents:

(a) Quitclaim Deeds in the forms of Appendix A-1 and A-2 duly executed and acknowledged to enable the party to file such quitclaim deed for recordation in the jurisdiction in which the Property is located.

(b) An Assignment Agreement in the forms attached hereto as Appendix B-1 and B-2 duly executed by each party whereby that party assigns to the other all leases, easements, licenses, permits, agreements, and privileges pertaining to its respective Property. The agreements to be assigned to each party, with exceptions noted herein, if any, are identified in Appendix B-3. If any such documents pertain partly to the Property and partly to other property now or formerly owned by either party, the Assignment Agreement will assign to the other party only the portion of the agreements which relates to the Property.

(c) Proofs of corporate authorization, such as certified Board Resolutions and Incumbency Certificates, as are reasonable and customary in commercial transactions to demonstrate each party's authorization to execute the constituent documents and to consummate the

transactions contemplated by this Agreement.

- (d) An executed counterpart of the amended Operating Agreement
- (e) Such other documents as are reasonably required by Purchaser's title insurance company in order to issue an owner's policy of title insurance in a form acceptable to each party.

2. Each Party represents that it has made available to the other party or its designated representative copies of all of the following in its possession (with originals of same to be delivered within ninety (90) days of the Closing of the following):

- (a) Copies of track charts, valuation maps and current maintenance schedules and records pertaining to the Property;
- (b) The Party's executed counterparts of any and all known pertinent leases, easements, licenses, permits, agreements, privileges, and deed records which relate solely to the Property, and copies of any such documents which relate in part to the Property and in part to other property now or formerly owned by the Party;
- (c) A schedule of all known security deposits relating to the Property and held by the Party as of the date of Closing; and

The Party's separate check in the aggregate amount of any and all known security deposits pursuant to the aforesaid agreements relating to the Property that the Party might be required to credit or refund shall be forwarded to the other Party within ninety (90) days after Closing.

3. If, at any time subsequent to Closing, any security deposit or lease, easement, license, permit, agreement, or other document pertaining to the Property and not previously delivered to the proper Party hereunder shall be found to exist, the holding Party will promptly deliver said security deposit or document to the proper Party.

C. Apportionments.

1. Real estate transfer taxes and sales or use taxes, if any, imposed by law shall be paid as required by law as of the date of Closing. Real property taxes, utility charges, rents, income from leases, easements, licenses, permits, agreements, and privileges, if any, shall be apportioned

between the Parties as of the date of Closing, regardless of the date assessed, paid or payable. Any installments or special taxes or assessments levied, due and unpaid on the Property prior to Closing shall be paid by the owner of such Property prior to Closing. In respect to any payments made by or to either Party, whether before or after Closing, or in the event the amounts to be apportioned as of the Closing Date are not available at that time, appropriate remittances shall be made promptly by either Party, as applicable, to assure that such items are apportioned as of the date of Closing. Either Party shall have the right, for a period of one year after Closing, to audit (at its own expense) the books and records of the other Party which pertain to expenses and revenues to be apportioned hereunder.

2. Each party hereto shall be entitled to avail itself of any exemption from the payment of any taxes or fees which it may enjoy on the express condition that the other party shall not be called upon to bear the expense of such taxes or fees in contradiction to the allocation provided for in this Agreement.

D. New and Undisclosed Agreements.

1. Neither party shall enter into a new agreement pertaining to the property between the date of this Agreement and either the Closing Date or the termination date of this Agreement without the written consent of the other party.

2. The parties shall defend, hold harmless and indemnify each other for any losses, claims, expenses, fees and costs arising in connection with any obligations or increased costs under any agreements to be assigned or assumed by either party pursuant to this Agreement that were entered into during its ownership of the Property and are not disclosed to each other by the Closing Date of this Agreement, provided however that such post-Closing obligations shall not extend beyond the date the original or a copy of the agreement is provided to and accepted by the other party. In the event either party fails to reject an agreement within thirty (30) days after its receipt, it will be deemed accepted. All agreements shall be delivered to the other party pursuant to the Notice requirements contained herein.

SECTION IV

RAIL OPERATIONS: INTERVENING CASUALTY OR DAMAGE

A. Pre-Closing Operations: Intervening Casualty or Damage. Except and to the extent required by unforeseen emergencies, from the date of execution of this Agreement until Closing or until termination of this Agreement pursuant to its terms, neither Party shall alter or modify the Property except in the ordinary course of business, and shall conduct its operations on the Property in the ordinary course of business, consistent with its past practice. If, in the event of such casualty or other loss to the Orange Industrial Track, NS does not elect to repair or restore the Property to its previous condition, NJ TRANSIT may elect to terminate this Agreement, or to accept the Property in its condition at Closing without abatement of the purchase price and without recourse to NS for credit, remedy or compensation for the changed condition of the Property.

SECTION V

INSPECTIONS

A. Inspection of the Property. The Parties have permitted and will permit the other party and its employees or agents, upon prior notice and upon execution by the owner of the Property, and if required, any individuals, to enter the Property at reasonable times to be specified by the owner of the Property, for the purpose of conducting a visual inspection or survey of the Property. The Parties may each examine, inspect, or test the Property consistent with the completion of a Phase 1 Environmental Site Assessment. Portable instruments for non-invasive on-site chemical testing may be utilized but no boring or sampling for off-site testing or other invasive testing shall be allowed without the specific prior permission of the other Party in writing, which permission shall not be unreasonably withheld or delayed. Any such activities by either Party on the Property shall not interfere with the normal operations of the other Party thereon without the prior approval of the owner of the Property, which approval shall not be unreasonably withheld or delayed. The owner of the Property shall be furnished with a copy of any report of the inspection or survey, and the party conducting such inspection shall not disclose the results of the inspection or

survey to any third party other than attorneys, accountants, consultants, officers and employees, without the prior consent of the owner of the Property in writing, unless required to do so by law.

B. Inspection of Documents. At any time after the effective date of this Agreement and prior to Closing, each Party will allow the other Party, at each Party's own cost and expense, to segregate, inspect and photocopy (for a reasonable fee to cover costs) during normal business hours and at a location designated by the owner of such Property, all leases, licenses and other agreements described in Section III.B.2. hereof, and existing track charts and valuation maps of and maintenance records for such Property.

SECTION VI

REPRESENTATIONS OF NS

A. NS hereby represents to NJ TRANSIT that the following shall be true as of the day of Closing, except as modified in writing by NS on or prior to the date of Closing. NS makes no other representations, express or implied, except for representations found in other sections of this Agreement and the following:

1. No affiliate of NS has any interest in the Property, except to the extent provided in a deed or other instrument of public record.

2. The execution of this Agreement and the consummation of the transaction contemplated by this Agreement will not result in any breach of, or constitute a default under, any mortgage or deed of trust given by NS and applicable to the Orange Industrial Track or under any other agreement to which Norfolk Southern is a party.

3. NS presently conducts or holds itself out to conduct contract and/or common carrier rail freight transportation operations on the Orange Industrial Track.

4. To the best knowledge of NS, there is no civil, criminal or administrative proceeding, arbitration or action pending before any court, administrative agency, or arbitration panel, or any judgments, orders or decrees entered in any court or proceeding against NS affecting the Orange Industrial Track, or Norfolk Southern's right to conduct rail freight transportation operations on the

Orange Industrial Track, the result of which, if adversely determined, would materially and adversely affect NJ Transit's ability to conduct light rail passenger transportation operations on the Orange Industrial Track after Closing. For purposes of this Section VI.A.4, the phrase "best knowledge of NS" shall mean the knowledge resulting from NS's making due inquiry within NS's law department.

5. To the best knowledge of NS after reasonable investigation, there are no formal proceedings pending against NS before any administrative agency or court, based upon an allegation that a condition on the Orange Industrial Track constitutes a violation of any environmental statute or other statute or regulation and the outcome of which, if adverse to NS, would be an order or judgment enforcing such statute or regulation.

6. NJ TRANSIT will not assume and will not be required to assume any freight transportation contracts as a result of its purchase of the Orange Industrial Track.

SECTION VII

REPRESENTATIONS OF NJ TRANSIT

A. NJ TRANSIT hereby represents to NS that the following shall be true as of the day of Closing, except as modified in writing by NJ TRANSIT on or prior to the date of Closing. NJ TRANSIT makes no other representations, express or implied, except for representations found in other sections of this Agreement and the following:

1. No affiliate of NJ TRANSIT has any interest in the Property, except to the extent provided in a deed or other instrument of public record.

2. The execution of this Agreement and the consummation of the transaction contemplated by this Agreement will not result in any breach of, or constitute a default under, any mortgage or deed of trust given by NJ TRANSIT and applicable to the Secaucus Track or under any other agreement to which NJ Transit is a party.

3. NJ TRANSIT no longer operates passenger rail operations on the Secaucus Track.

4. To the best knowledge of NJ TRANSIT there is no civil, criminal or administrative proceeding, arbitration or action pending before any court, administrative agency, or arbitration panel, or any judgments, orders or decrees entered in any court or proceeding against NJ TRANSIT affecting the Secaucus Track, or NJ Transit's right to conduct passenger rail operations on the Secaucus Track, the result of which, if adversely determined, would materially and adversely affect NS's ability to conduct rail freight transportation operations on the Secaucus Track after Closing. For purposes of this Section VII A.4. the phrase "best knowledge of NJ TRANSIT " shall mean the knowledge resulting from NJ TRANSIT's making due inquiry within NJ TRANSIT's rail operations department

5. To the best knowledge of NJ TRANSIT after reasonable investigation, there are no formal proceedings pending against NJ TRANSIT before any administrative agency or court, based upon an allegation that a condition on the Secaucus Track constitutes a violation of any environmental statute or other statute or regulation and the outcome of which, if adverse to NJ TRANSIT, would be an order or judgment enforcing such statute or regulation.

SECTION VIII

ALLOCATION OF LIABILITY AND RESPONSIBILITY FOR ENVIRONMENTAL CONTAMINATION

A. Application Except as otherwise agreed by the parties in any other document, and if so, only to the extent stated in such other document, the parties shall, as between themselves, allocate liability and responsibility for Contamination and for Remediation, as hereinafter defined, pertaining to the Property in accordance with this section.

B. Contamination. "Contamination" shall mean a polluted condition of the Premises arising from the presence of oil, petroleum, Hazardous Substance, hazardous material, hazardous waste or toxic substance (collectively referred to as "Contaminated Substances") which is a violation of applicable federal or state environmental laws or regulations in effect. Contamination shall not include herbicides used by either railroad and/or its contractors for weed and vegetation control on the Tracks covered by the Agreement, if used in accordance with manufacturers' specifications.

C. Remediation Standards. No cleanup or Remediation will be required pursuant to this Section unless Contaminating Substances are present in amounts requiring reporting to federal or state environmental agencies and in amounts requiring cleanup or Remediation under applicable environmental laws and regulations as interpreted as of the date of Closing or, in the case of incidents occurring after Closing, as interpreted on the date of the incident. If Remediation is required on any part of the Tracks covered by this Agreement, the parties agree that such cleanup will be required to meet only non-residential site cleanup standards appropriate to railroad property. Each party's responsibility for Remediation shall not be increased based upon any future development that uses the Tracks covered by this Agreement or any part thereof for purposes other than for non-residential railroad use or that involve the excavation of the surface or subsurface of the Track or any part thereof for the construction of underground garages, basements, or subsurface occupation. The parties agree that the cleanup levels applicable to any Remediation may be based upon a site specific risk assessment where the use of such risk assessments is allowed by the federal or state environmental agency having jurisdiction over the property being remediated.

D. NJ TRANSIT's Responsibility. Except as otherwise provided in the Operating Agreement, NJ TRANSIT shall be responsible for any Contamination and Remediation of the Orange Industrial Track released and discharged by NJ Transit from and after the Closing and for any Contamination on the Secaucus Track released or discharged by NJ Transit during the time the Secaucus Track was owned by NJ Transit. Notwithstanding anything to the contrary in this Agreement, NJ TRANSIT shall not be responsible for remediation of any conditions pertaining to the Orange Industrial Track which are currently subject to any ongoing remediation by NS under federal or state agency direction.

E. NS's Responsibility. NS shall be responsible for Contamination and Remediation of the Secaucus Track from and after Closing, and for any Contamination on the Orange Industrial Track released or discharged by NS during the time the Orange Industrial Track was owned by NS. Notwithstanding anything to the contrary in this Agreement, NS shall not be responsible for remediation of any conditions pertaining to the Secaucus Track which are currently subject to any ongoing remediation by NJ TRANSIT under federal or state agency direction.

F. Clarification of Liability of Both Parties for Contamination Existing Prior to April 1, 1976

Neither Party shall be liable to the other Party for any Remediation resulting from any Contamination created prior to the acquisition of the ownership of the Orange Industrial Track by Conrail on April 1, 1976, including any ongoing, continuous or migrating Contamination commencing prior to April 1, 1976

SECTION IX

MISCELLANEOUS PROVISIONS

A. Best Efforts. Both before and after Closing, each party hereto shall execute and deliver such instruments and take such other actions as the other party may reasonably request in order to carry out the intent of this Agreement. Each party hereto shall use its best efforts to cause the transaction contemplated by this Agreement to be consummated and, without limiting the generality of the foregoing, to obtain all consents and authorizations of governmental agencies and third parties and to make all filings with and give all notices to governmental agencies and third parties which may be necessary or reasonably required in order to effect the transaction contemplated by this Agreement.

B. Notices. All notices, requests, consents, demands, or other communications desired or required to be given or submitted by one party to the other shall be sent by United States express, certified or registered mail, or by a private courier service providing proof of delivery, addressed as set forth below (or to such other address as either of the parties hereto may designate by written notice to the other party). A return receipt shall be conclusive evidence of the fact, date, and time of receipt

NORFOLK SOUTHERN:

Norfolk Southern Railway Company
1200 Peachtree Street, NE
Atlanta, GA 30309
Attention: Patti C. Carroll

With copy to: Norfolk Southern Railway Company
1220 Peachtree, street, NE
Atlanta, GA 30309
Attention: Louis C. Cataland

NJ TRANSIT:

NJ Transit;
Senior Director, Real Estate
New Jersey Transit Corporation
One Penn Plaza East
Newark, NJ 07105-02246

With copy to: New Jersey Division of Law
One Penn Plaza East
Newark, NJ 07105
Attention: Section Chief

C.. Entire Agreement; Amendment. This Agreement, its Appendices and other Agreements between the parties pertinent to the Properties, set forth the entire understanding of the parties hereto with respect to the transactions contemplated hereby, and therein, and may not be amended except by written instrument executed by the parties. Any previous agreements or understandings between the parties regarding the subject matter hereof are merged into and superseded by this Agreement and such other referenced or later Agreements.

D.. Survival of Terms. All representations (as modified pursuant to the provisions hereof), warranties, covenants, terms, conditions, stipulations, and provisions of this Agreement shall survive Closing and be binding upon and inure to the benefit of, and be enforceable by, the Parties, and their successors and assigns.

E.. Assignment. Except as otherwise provided herein, neither NS nor NJ TRANSIT may assign, pledge, encumber, or transfer this Agreement, or any interest herein, without the prior written consent of the other party hereto, except that NS may sell or assign its freight easement and operating rights which are stated herein to be transferable and assignable as provided herein. In connection with any such assignment, the Parties agree that the assigning party shall be required either to retain its full obligations under this Agreement, and the Operating Agreement. or in the alternative, the purchaser or assignee of such Party shall be required to specifically assume in writing the obligations of that Party hereunder and under the Operating Agreement.

F. Beneficiaries. Except as specifically otherwise provided herein, this Agreement is intended for the sole benefit of the parties hereto. Nothing in this Agreement is intended to or may be construed to give any person, firm, corporation, or other entity, other than the parties hereto, any rights

pursuant to any provision or term hereof, and all provisions and terms of this Agreement are and shall be for the sole and exclusive benefit of the parties to this Agreement.

G. Governing Law. Except as otherwise provided herein, this Agreement and the rights and obligations accruing hereunder shall be construed and enforced in accordance with the laws of New Jersey.

H. Appendices. All appendices referred to in this Agreement are intended to be, and are hereby, specifically made a part of this Agreement.

I. Waiver. No waiver by either party of any failure of, or refusal by, the other party to comply with any obligation under this Agreement shall be deemed a waiver of any other or subsequent failure or refusal so to comply.

J. Time. Time shall be of the essence of this Agreement

K. Broker. The Parties each represent to the other that it has not dealt with any broker in connection with the transaction contemplated by this Agreement. Each Party hereto shall assume and indemnify the other from any obligation arising from or in connection with any action by any broker or other Party alleging that such broker or other Party is entitled to a commission or other compensation, on the basis that it has dealt with such Party hereto for the sale or purchase of the Property.

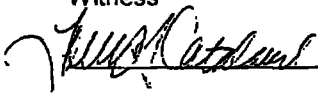
L. Default. If either Party hereto shall fail or refuse to close as required by this Agreement, shall fail or refuse in good faith to satisfy the conditions set forth in Section III.A hereof, or shall otherwise be in default hereunder, then the other Party, if not in default, may at its option terminate this Agreement by written notice as provided herein, and shall have such additional rights, and may exercise such additional remedies, as are afforded by law. No action shall lie for punitive damages or lost profits.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first
above written.

NORFOLK SOUTHERN RAILWAY COMPANY

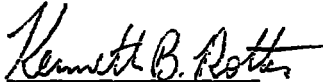
Witness



By: Malcolm G. Roop

NEW JERSEY TRANSIT CORPORATION

Witness

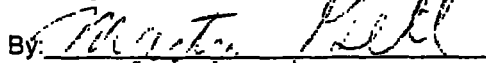


By:


Michael Litwarcik
Acting Chief Financial Officer

Approved as to legal form only

JEFFREY S. CHIESA
Attorney General of the State of New Jersey

By: 
Martin Gill
Deputy Attorney General

**EXCHANGE AGREEMENT BETWEEN NJ TRANSIT NORFOLK SOUTHERN
ORANGE INDUSTRIAL TRACK/SECAUCUS TRACK**

EXHIBITS

Exhibit A - Legal Description Orange Industrial Track

All that portion of railroad known as the Orange Industrial Track (former Erie Railroad Company) main track and identified as Line Code 6170 in the records of the United States Railway Association, situate in the City of Newark, Township of Bloomfield, and Township of Belleville, all in the County of Essex and State of New Jersey; beginning at the intersection of the centerline of the main track and the westerly right of way line of Lake Street extended, at railway valuation station 451 + 50 (at approximately MP 8.616) more or less, as shown on valuation map V12NJ/1;

Thence with said railway continuing in a general southwesterly and westerly direction with a strip of land varying in widths on each side of the centerline of said railway for a distance of 6678 feet more or less, to the point of ending in the Town of Bloomfield, said point being located at the easterly right of way line of Bloomfield Avenue at railway valuation station 518 + 75, more or less, as shown on valuation map V12NJ/3, along with all existing tracks and facilities which are situate within the right of way conveyed to Grantee.

Together with all rights, title and interest the grantor may have in said parcel and in parcel No. 18 as recorded May 6, 1929, in Deed Book M79, Page 465 and in parcel No. 21 recorded January 26, 1935, in Deed Book 345, Page L88, in Essex County, New Jersey, as shown on valuation map V12NJ/2.

Subject to any and all encumbrances apparent or of record.

BEING a portion of the same property conveyed to Pennsylvania Lines LLC, a Delaware limited liability company which merged into PRR Newco, Inc., a Virginia corporation as the surviving entity, which in turn merged into Grantor herein, as the surviving entity) by Consolidated Railroad Corporation by Quitclaim Deed and recorded in the Essex County Register's Office at Deed Book 4843, Page 536, which was corrected by Deed of Correction dated April 7, 2000 recorded in the Essex County Register's Office at Deed Book 5701, Page 0342.

Exhibit A-1 Reservations from Grant of Orange Industrial Track

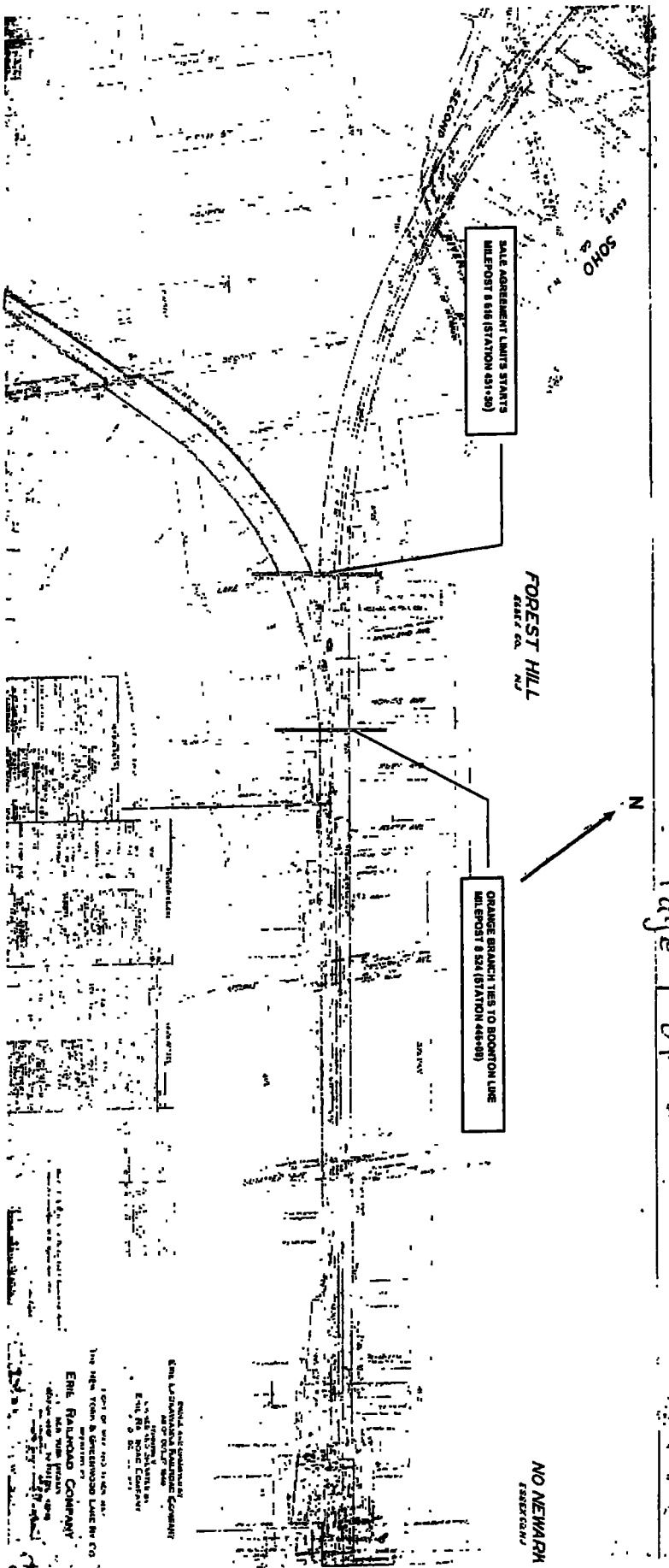
"FURTHER EXCEPTING AND RESERVING unto Grantor, its successors, assigns and affiliates, an exclusive easement for the installation, construction, maintenance, utilization, and replacement (including but not limited to ingress and egress) of four (4) existing signboards and other displays located in the vicinity of the Grove Street crossing at Milepost 9.86 in Bloomfield, New Jersey, as depicted in Exhibit C hereto, under an Agreement between Grantor and CBS Outdoor, dated November 1, 1999, until the expiration of said agreement on May 31, 2024. Any use and enjoyment of this Reserved Easement by Grantor, its successors, assigns and affiliates shall be subject to the provisions of Grantee's General Conditions applying to the occupancy of its right-of-way which are then in effect."

**Exhibit A-2 Excerpt from Quitclaim Deed from NS to NJ Transit Containing Reserved Easement
by NS for Freight Service**

"EXCEPTING AND RESERVING unto Grantor, its successors, assigns and affiliates the exclusive, perpetual, transferable, assignable and irrevocable retained rail freight rights in the Orange Industrial Track to physically serve, with its own crews and locomotives, or the crew or locomotives of its owners, affiliates, transferees or assignees, present and future rail shippers with access to the Orange Industrial Track, all as more fully described in the Operating Agreement between Grantor and Grantee. NJ TRANSIT acknowledges Grantor's retained rights, and that NJ TRANSIT neither has nor will have any right to serve present and future rail freight shippers, and will make no attempt to construct additional sidings to serve such shippers for its own account or to circumvent this agreement by other means directly or indirectly. Grantor's rights hereunder shall terminate upon receiving proper authorization to abandon such service."

Exhibit B – Map showing Orange Industrial Track

[See Attached]



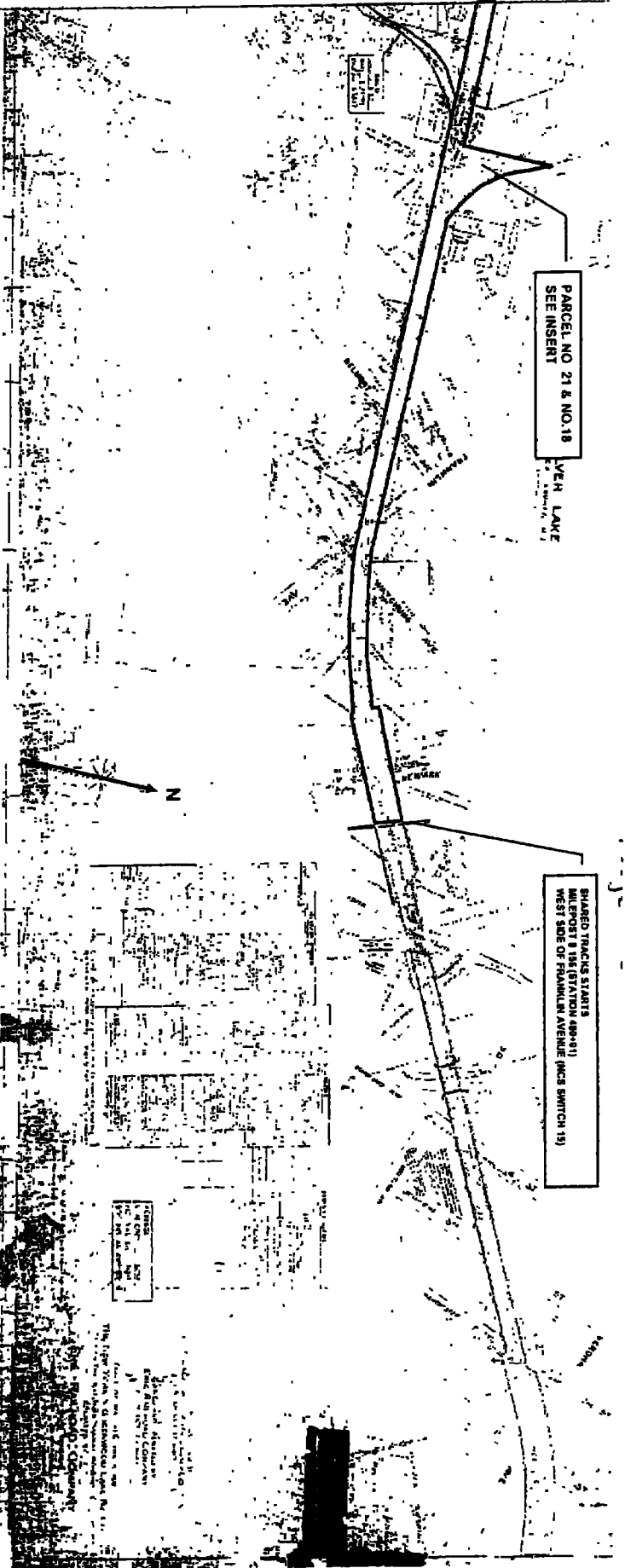
ROLLS
A FULL SIZE SET OF MAPS IS AVAILABLE IN THE OFFICES OF NEW JERSEY TRANSIT CORPORATION, ONE PENN PLAZA EAST, NEWARK, NJ 07102

SALE OF ORANGE INDUSTRIAL TRACT FROM NORFOLK SOUTHERN TO NEW JERSEY TRANSIT
MILEPOST 8.616 TO MILEPOST 8.963
APPROXIMATE TOTAL ACREAGE 11.86 ACRES
VAL. SECTION 12 MAP 1
LINE CODE 6170
DESIGNATED "NP" PROPERTY UNDER OPERATING AGREEMENT FROM
MILE POST 8.616 (STATION 431+20) TO MILEPOST 8.156 (STATION 480+01) SHOWN
DATE MAY 2, 2012
MAP 1 OF 3

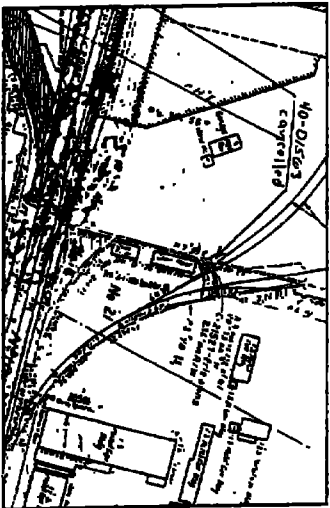
PARCEL NO 21 & NO.18
SEE INSERT

LYEN LAKE

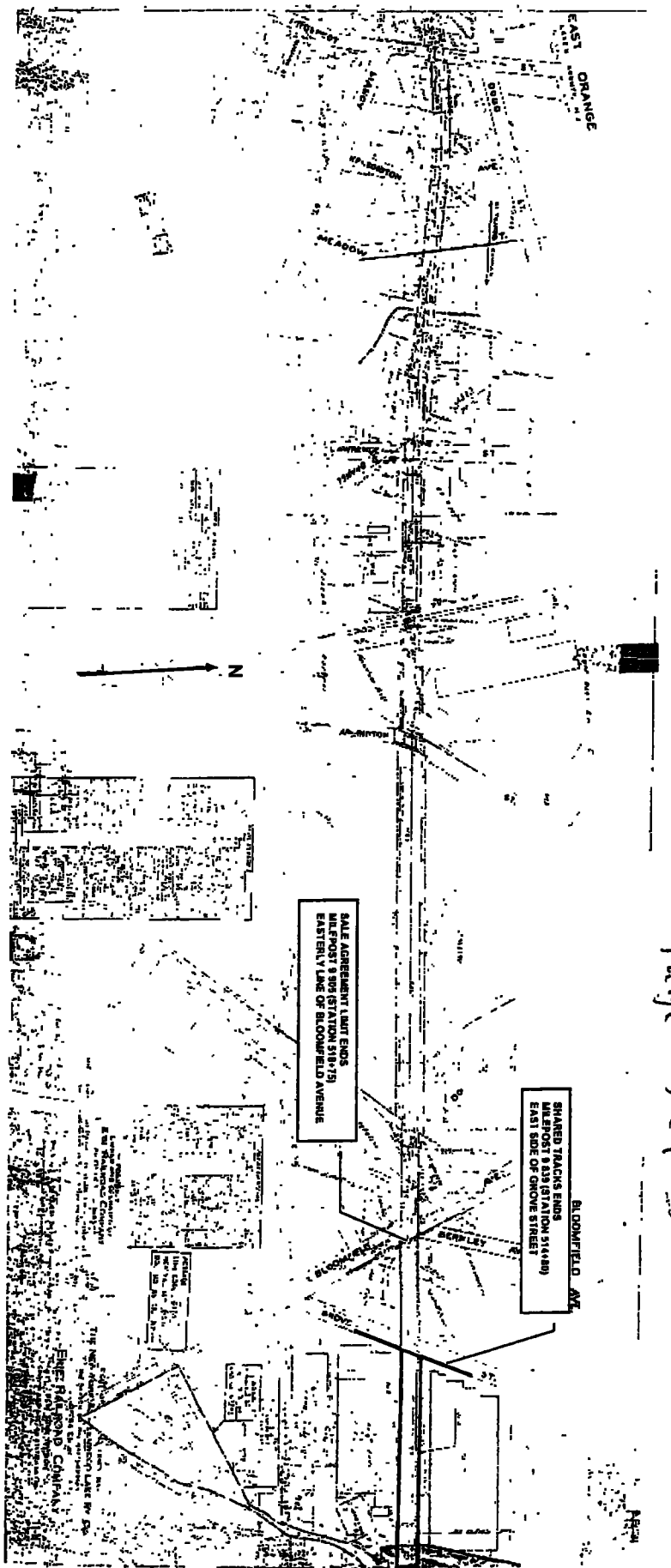
SHARED TRACKS STARTS
MILEPOST 8.156 (STATION 480+81)
WEST SIDE OF FRANKLIN AVENUE (MCS SWITCH 15)



NOTE:
A FULL SIZE SET OF MAPS IS AVAILABLE IN THE OFFICES OF NEW JERSEY TRANSIT
CORPORATION ONE PENN PLAZA EAST NEWARK, NJ 07102



SCALE OF ORANGE INDUSTRIAL TRACT FROM MONROE & SOUTHERN TO NEW JERSEY TRANSIT
MILEPOST 8.616 TO MILEPOST 8.905
APPROXIMATE TOTAL ACRES 11 ACRES
VAL. SECTION 32 MAP 2
LINE CODE 6170
DESIGNATED "H/F" PROPERTY UNDER OPERATING AGREEMENT WITH
MILE POST 8.156 (VAL. STA. 480+81) TO MILEPOST 8.905 (VAL. STA. 487+00) SHOWN
DATE MAY 2, 2012
MAP 1 OF 1



NOTE
A FULL SET OF MAPS IS AVAILABLE IN THE OFFICES OF NEW JERSEY TRANSIT CORPORATION ONE PENN PLAZA EAST, NEWARK, NJ 07102

SALE OF ORANGE INDUSTRIAL TRACT FROM NORFOLK & SOUTHERN TO NEW JERSEY TRANSIT
MILEPOST 8.616 TO MILEPOST 9.915
APPROXIMATE TOTAL ACRES: 11.88 ACRES
VAL. SECTION 12 MAP 3
LINE CODE 6170
DESIGNATED "MP" PROPERTY UNDER OPERATING AGREEMENT FROM
MILEPOST 9.829 (VAL. STA. 514+00) TO MILEPOST 9.905 (VAL. STA. 518+73) SHOWN
DATE: MAY 2 2012
MAP 3 OF 3

Exhibit C – Legal Description Secaucus Track

All that portion of the right-of-way of railroad of New Jersey Transit Corporation formerly known as the Bergen County Line and identified as Line Code 6102 in the records of the United States Railway Association, situate in the Township of Secaucus, County of Hudson and State of New Jersey,

Beginning at approximately Mile Post 4.04 of said line, being also Station 214+03.70 at the northerly line of Seaview Drive Extension;

There being a two track 100 foot right of way measured 50 feet easterly and 50 feet westerly from the centerline of the two passenger tracks which are situate to the west of Croxton Yard along with any and all existing tracks and facilities which are situate within the 100 foot right-of-way conveyed to Grantee. Said 100 foot right-of-way commences at Station 214+03.70 and continues to a junction with the existing westerly property line as depicted on Map V9 NJ/4 at Station 250+20;

Thence, continuing in a general northwesterly direction being a to a point ending at Mile Post 4.98, being also Station 263+66.9 as depicted on Map V9 NJ/4..

Subject to any and all encumbrances apparent or of record.

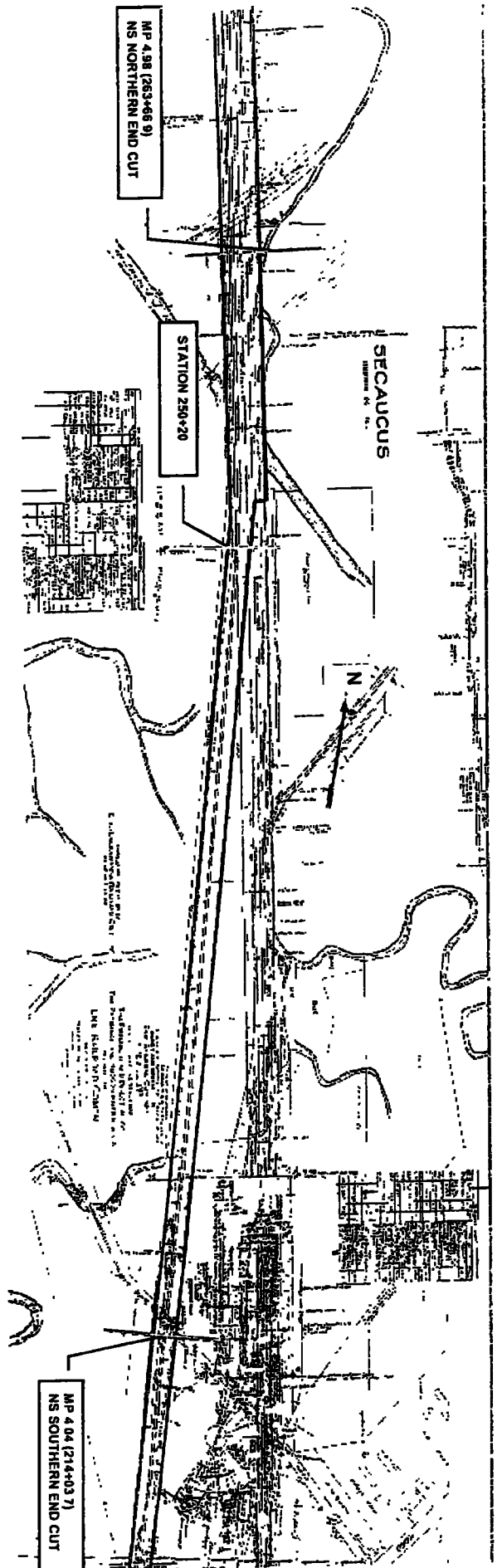
Being a portion of the property conveyed by Consolidated Rail Corporation to the State of New Jersey acting by and through the Commuter Operating Agency of the New Jersey Department of Transportation, predecessor in interest of New Jersey Transit Corporation who took title to all properties conveyed to the Commuter Operating Agency by N.J.S.A. 27:25-21, by Deed dated March 31, 1979, recorded in the Hudson County Clerk's Office at Deed Book 6722, Page 130 on December 16, 1982.

Exhibit C-1 NJT Agreements Relating to Secaucus Track

NONE

Exhibit D – Map showing area of Secaucus Track

[See Attached]



NOTE

A FULL SET SET OF MAPS IS AVAILABLE IN THE OFFICES OF NORFOLK SOUTHERN RAILWAY

SALE OF SECAUCUS TRACK FROM NEW JERSEY TRANSIT TO NORFOLK SOUTHERN RAILWAY
 MILEPOST 4.04 TO MILEPOST 4.98
 APPROXIMATE TOTAL ACREAGE 12.22 ACRES
 LINE CODE 6102
 DATE MAY 2, 2012
 MAP 1 OF 1

Exhibit E - Letters of Indemnification for outstanding liens from NS and from NJ Transit

[See Attached]

_____, 2012

New Jersey Transit Corporation
One Penn Plaza East
Newark, New Jersey 07105

Re: Sale to New Jersey Transit Corporation
Orange Industrial Track

Dear Sir or Madam:

This letter is in reference to the sale and exchange of certain properties between New Jersey Transit Corporation ("NJ Transit") and Norfolk Southern Railway Company ("NS") in the cities of Bloomfield and Newark, Essex County, New Jersey as more particularly described on Exhibit "A" attached hereto.

This is to certify that NS will indemnify and save harmless NJ Transit from and against any: (i) liens (including mechanic's liens for labor and materials furnished to the Property at the request of NS; (ii) judgments against NS arising after January 1, 1983 and recorded prior to the date of closing; and (iii) real estate and franchise taxes assessed against the Property which are due by NS for the period from April 7, 2000 to the date of closing.

Very truly yours,

Norfolk Southern Railway Company

By: _____

Attachment

Exhibit "A"

Legal Description Orange Industrial Track

All that portion of railroad known as the Orange Industrial Track (former Erie Railroad Company) main track and identified as Line Code 6170 in the records of the United States Railway Association, situate in the City of Newark, Township of Bloomfield, and Township of Belleville, all in the County of Essex and State of New Jersey; beginning at the intersection of the centerline of the main track and the westerly right of way line of Lake Street extended, at railway valuation station 451 + 50 (at approximately MP 8.616) more or less, as shown on valuation map V12NJ/1;

Thence with said railway continuing in a general southwesterly and westerly direction with a strip of land varying in widths on each side of the centerline of said railway for a distance of 6678 feet more or less, to the point of ending in the Town of Bloomfield, said point being located at the easterly right of way line of Bloomfield Avenue at railway valuation station 518 + 75, more or less, as shown on valuation map V12NJ/3, along with all existing tracks and facilities which are situate within the right of way conveyed to Grantee.

Together with all rights, title and interest the grantor may have in said parcel and in parcel No. 18 as recorded May 6, 1929, in Deed Book M79, Page 465 and in parcel No. 21 recorded January 26, 1935, in Deed Book 345, Page L88, in Essex County, New Jersey, as shown on valuation map V12NJ/2

Subject to any and all encumbrances apparent or of record.

BEING a portion of the same property conveyed to Pennsylvania Lines LLC, a Delaware limited liability company which merged into PRR Newco, Inc., a Virginia corporation as the surviving entity, which in turn merged into Grantor herein, as the surviving entity) by Consolidated Railroad Corporation by Quitclaim Deed and recorded in the Essex County Register's Office at Deed Book 4843, Page 536, which was corrected by Deed of Correction dated April 7, 2000 recorded in the Essex County Register's Office at Deed Book 5701, Page 0342.

_____, 2012

Norfolk Southern Railway Company
1717 Arch Street, 49th Floor
Philadelphia, PA 19103

Norfolk Southern Railway Company
1220 Peachtree, street, NE
Atlanta, GA 30309

Re: Sale to Norfolk Southern Railway Company
Secaucus Track (formerly, Bergen County Line)

Dear Sir or Madam:

This letter is in reference to the sale and exchange of certain properties between Norfolk Southern Railway Company ("NS") and New Jersey Transit Corporation ("NJ Transit") in Secaucus Township, Bergen County, New Jersey as more particularly described on Exhibit "A" attached hereto.

This is to certify that NJ Transit will indemnify and save harmless NS from and against any: (i) liens (including mechanic's liens for labor and materials furnished to the Property at the request of NJ Transit); (ii) judgments against NJ Transit arising after January 1, 1983 and recorded prior to the date of closing; and (iii) real estate and franchise taxes assessed against the Property which are due by NJ Transit for the period from January 1, 1983 to the date of closing.

Very truly yours,

New Jersey Transit Corporation

Michael Lihvarcik, Chief Financial
Officer and Treasurer

Approved as to legal form only

JEFFREY S. CHIESA
Attorney General of the State of New Jersey

By: _____
Martin Gill
Deputy Attorney General

Exhibit "A"

Legal Description of Secaucus Track

All that portion of the right-of-way of railroad of New Jersey Transit Corporation formerly known as the Bergen County Line and identified as Line Code 6102 in the records of the United States Railway Association, situate in the Township of Secaucus, County of Hudson and State of New Jersey;

Beginning at approximately Mile Post 4.04 of said line, being also Station 214+03.70 at the northerly line of Seaview Drive Extension;

There being a two track 100 foot right of way measured 50 feet easterly and 50 feet westerly from the centerline of the two passenger tracks which are situate to the west of Croxton Yard along with any and all existing tracks and facilities which are situate within the 100 foot right-of-way conveyed to Grantee. Said 100 foot right-of-way commences at Station 214+03.70 and continues to a junction with the existing westerly property line as depicted on Map V9 NJ/4 at Station 250+20;

Thence, continuing in a general northwesterly direction being a to a point ending at Mile Post 4.98, being also Station 263+66.9 as depicted on Map V9 NJ/4..

Subject to any and all encumbrances apparent or of record.

Being a portion of the property conveyed by Consolidated Rail Corporation to the State of New Jersey acting by and through the Commuter Operating Agency of the New Jersey Department of Transportation, predecessor in interest of New Jersey Transit Corporation who took title to all properties conveyed to the Commuter Operating Agency by N.J.S.A. 27:25-21, by Deed dated March 31, 1979, recorded in the Hudson County Clerk's Office at Deed Book 6722, Page 130 on December 16, 1982.

APPENDICES

Appendix A-1 - Form of Quitclaim Deed from NS

[See Attached]

THIS INSTRUMENT PREPARED BY:

Louis Cataland
Norfolk Southern Railway Company
1200 Peachtree Road, NE, 12th Floor
Atlanta, Georgia 30309

QUITCLAIM DEED

THIS DEED, made the _____ day of _____, Two Thousand Twelve (2012),

BETWEEN, NORFOLK SOUTHERN RAILWAY COMPANY, a corporation of the Commonwealth of Virginia, having a mailing address at 110 Franklin Road SE, Roanoke, Virginia 24042-0028, hereinafter referred to as the Grantor, and NEW JERSEY TRANSIT CORPORATION, an instrumentality of the State of New Jersey, having a mailing address of One Penn Plaza East, Newark, New Jersey 07105, hereinafter referred to as the Grantee.

WITNESSETH, that the said Grantor, for and in consideration of the conveyance of property by Grantee to Grantor by Deed of even date hereof, which property the Parties hereto deem to be of equal value and for the sum of One Dollar (\$1.00) lawful money of the United States of America, unto it well and truly paid by the said Grantee, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, Grantor does by these presents, remise, release and forever quitclaim unto the said Grantee, the successors and assigns of the said Grantee, all right, title and interest of the said Grantor of, in and to the Premises as more particularly described on Exhibit 'A' appended hereto and made a part hereof.

All that property of the Grantor, together with all improvements, structures, buildings, tracks and appurtenances thereon, between Railway Valuation Station 451+ 50 and Railway Valuation Station 518 + 75 being a portion of the line of railroad known as the Orange Industrial Track, Line Code 6170, and being all the property situated the City of Newark, Township of Belleville and Township of Bloomfield, all in Essex County, New Jersey, described in Exhibit "A" and depicted on Exhibit "B" hereof, hereinafter, referred to as "Premises."

UNDER and SUBJECT, however, to (1) whatever rights the public may have to the use of any roads, alleys, bridges or streets crossing the Premises, (2) any streams, rivers, creeks and water ways passing under, across or through the Premises, and (3) any easements or agreements of record or otherwise affecting the Premises, and to the state of facts which a personal inspection or accurate survey would disclose, and to any pipes, wires, poles, cables, culverts, drainage courses or systems and their appurtenances now existing and remaining in, on, under, over, across and through the Premises, together with the right to maintain, repair, renew, replace, use and remove same.

EXCEPTING AND RESERVING unto Grantor, its successors, assigns and affiliates the

exclusive, perpetual, transferable, assignable and irrevocable retained rail freight rights in the Orange Industrial Track to physically serve, with its own crews and locomotives, or the crew or locomotives of its owners, affiliates, transferees or assignees, present and future rail shippers with access to the Orange Industrial Track, all as more fully described in the Operating Agreement between Grantor and Grantee. NJ TRANSIT acknowledges Grantor's retained rights, and that NJ TRANSIT neither has nor will have any right to serve present and future rail freight shippers, and will make no attempt to construct additional sidings to serve such shippers for its own account or to circumvent this agreement by other means directly or indirectly. Grantor's rights hereunder shall terminate upon receiving proper authorization to abandon such service.

FURTHER EXCEPTING AND RESERVING unto Grantor, its successors, assigns and affiliates, an exclusive easement for the installation, construction, maintenance, utilization, and replacement (including but not limited to ingress and egress) of four (4) existing signboards and other displays located in the vicinity of the Grove Street crossing at Milepost 9.86 in Bloomfield, New Jersey, as depicted in Exhibit C hereto, under an Agreement between Grantor and CBS Outdoor, dated November 1, 1999, until the expiration of said agreement on May 31, 2024. Any use and enjoyment of this Reserved Easement by Grantor, its successors, assigns and affiliates shall be subject to the provisions of Grantee's General Conditions applying to the occupancy of its right-of-way which are then in effect.

THIS INSTRUMENT is executed and delivered by Grantor, and is accepted by Grantee, subject to the covenants set forth below, which shall be deemed part of the consideration of this conveyance and which shall run with the land and be binding upon, and inure to the benefit of, the respective legal representatives, successors and assigns of Grantor and Grantee. Grantee hereby knowingly, willingly, and voluntarily waives the benefit of any rule, law, custom, or statute of the State of New Jersey now or hereafter in force with respect to the covenants set forth below:

(1.) Grantor shall neither be liable or obligated to construct or maintain any fence or similar structure between the Premises and adjoining land of Grantor nor shall Grantor be liable or obligated to pay for any part of the cost or expense of constructing or maintaining any fence or similar structure, and Grantee hereby forever releases Grantor from any loss or damage, direct or consequential, that may be caused by or arise from the lack or failure to maintain any such fence or similar structure.

(2.) Grantor shall not have or assert any claim or demand whatsoever for compensation for damages, whether said damages be direct or consequential, to the land hereinbefore described or to any buildings or improvements now or hereafter erected after the purchase or to the contents thereof, which may be caused by the operation, maintenance, repair or renewal of the Premises or which may be caused by vibration resulting from the operation, maintenance, repair or renewal thereof, and Grantor hereby expressly releases Grantee from liability for any such damages.

(3) In the event the Premises is elevated or depressed, or the grades of any streets, avenues, roads, lanes, highways or alleys over said right-of-way in the vicinity of the land hereinbefore described are changed so that they shall pass overhead or underneath the said right-of-way or in the event any grade crossing is vacated or closed, Grantor shall not ask, demand, recover or receive any compensation whatsoever for any damage of whatsoever nature caused by or in any manner growing out of the separation or change of grades of said right-of-way and/or said streets, avenues, roads, lanes, highways or alleys or out of the vacation and closing of any grade crossing.

(4.) Right or means of ingress, egress or passageway to or from the Premises (land) hereinbefore described is not hereby granted, specifically or by implication, and Grantor shall not and will not be liable or obligated to obtain for Grantee such means of ingress, egress or passageway to and from the Premises. Grantee shall obtain a means of access to and from the Premises at Grantee's own cost and expense.

(5.) Should a claim adverse to the title hereby quitclaimed be asserted and/or proved, no recourse shall be had against the Grantor herein.

TOGETHER with all right, title and interest that Grantor may have in and to the streets and to the lands underlying the streets contiguous to and above and below the Premises conveyed herein.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in any wise appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, property, claim and demand whatsoever of it, the said Grantor as well at law as in equity or otherwise howsoever of, in and to the same and every part thereof, UNDER and SUBJECT and provided as aforesaid.

TO HAVE AND TO HOLD, all and singular the said Premises, together with the appurtenances, unto the Grantee, the successors and assigns of the Grantee, forever, UNDER and SUBJECT as provided herein.

THE words "Grantor" and "Grantee" used herein shall be construed as if they read "Grantors" and "Grantees", respectively, whenever the sense of this instrument so requires and whether singular or plural, such words shall be deemed to include at all times and in all cases the legal representatives or successors and assigns of the Grantor and Grantee.

BEING a portion of the same property conveyed to Pennsylvania Lines LLC, a Delaware limited liability company which merged into PRR Newco, Inc., a Virginia corporation as the surviving entity, which in turn merged into Grantor herein, as the surviving entity) by Consolidated Railroad Corporation by Quitclaim Deed and recorded in the Essex County Register's Office at Deed Book 4843, Page 536, which was corrected by Deed of Correction dated April 7, 2000 recorded in the Essex County Register's Office at Deed Book 5701, Page 0342.

Together with all rights, title and interest the Grantor may have in said parcel and in parcel No. 18 as recorded May 6, 1929, in Deed Book M79, Page 465 and in parcel No. 21 recorded January 26, 1935, in Deed Book 345, Page L88, in Essex County, New Jersey, as shown on valuation map V12NJ/2.

IN WITNESS WHEREOF, the Grantor has caused this Indenture to be signed in its name and behalf of Norfolk Southern Railway Company, by its Assistant Vice President – Real Estate, and has caused its corporate seal to be hereunto affixed and attested by its Assistant Corporate Secretary, the day and year first above written.

SEALED and DELIVERED
in the presence of us:

NORFOLK SOUTHERN RAILWAY COMPANY

By: _____
Assistant Corporate Secretary

By: _____
P.G. Carroll
Assistant Vice President – Real Estate

STATE OF GEORGIA)
 : SS
COUNTY OF FULTON)

BE IT REMEMBERED, that on this _____ day of _____ in the year Two Thousand Twelve (2012), before me, the subscriber, a Notary Public for the State of Georgia, personally appeared P. G. Carroll, Assistant Vice President – Real Estate, the Grantor named in the within Instrument, who I am satisfied is the person who has signed the within Instrument on behalf of said Corporation; and I having first made known to her the contents thereof, she did acknowledge that she signed, sealed and delivered the same as such officer aforesaid; that the foregoing Instrument is the voluntary act and deed of said Corporation, made by virtue of authority from its Board of Directors; and that the full and actual consideration paid or to be paid for the transfer of title to realty evidenced by the within Instrument as such consideration s One Dollar (\$1.00).

Notary Public

Exhibit "A"

Premises

All that portion of railroad known as the Orange Industrial Track (former Erie Railroad Company) main track and identified as Line Code 6170 in the records of the United States Railway Association, situate in the City of Newark, Township of Bloomfield, and Township of Belleville, all in the County of Essex and State of New Jersey; beginning at the intersection of the centerline of the main track and the westerly right of way line of Lake Street extended, at railway valuation station 451 + 50 (at approximately MP 8.616) more or less, as shown on valuation map V12NJ/1;

Thence with said railway continuing in a general southwesterly and westerly direction with a strip of land varying in widths on each side of the centerline of said railway for a distance of 6678 feet more or less, to the point of ending in the Town of Bloomfield, said point being located at the easterly right of way line of Bloomfield Avenue at railway valuation station 518 + 75, more or less, as shown on valuation map V12NJ/3, along with all existing tracks and facilities which are situate within the right of way conveyed to Grantee.

Together with all rights, title and interest the grantor may have in said parcel and in parcel No. 18 as recorded May 6, 1929, in Deed Book M79, Page 465 and in parcel No. 21 recorded January 26, 1935, in Deed Book 345, Page L88, in Essex County, New Jersey, as shown on valuation map V12NJ/2.

Subject to any and all encumbrances apparent or of record.

BEING a portion of the same property conveyed to Pennsylvania Lines LLC, a Delaware limited liability company which merged into PRR Newco, Inc., a Virginia corporation as the surviving entity, which in turn merged into Grantor herein, as the surviving entity) by Consolidated Railroad Corporation by Quitclaim Deed and recorded in the Essex County Register's Office at Deed Book 4843, Page 536, which was corrected by Deed of Correction dated April 7, 2000 recorded in the Essex County Register's Office at Deed Book 5701, Page 0342.

Exhibit "B"
Depiction of Premises
[See attached]

Exhibit "C"

Depiction of Locations of Grove Street Signboards

[See attached]

Appendix A-2 - Form of Quitclaim Deed from NJ Transit

[See Attached]

THIS INSTRUMENT PREPARED BY:

Martin B. Gill
Deputy Attorney General
Division of Law
One Penn Plaza East
Newark, NJ 07105



THIS DEED, made the _____ day of _____, Two Thousand Twelve (2012),

BETWEEN NEW JERSEY TRANSIT CORPORATION, an instrumentality of the State of New Jersey, having a mailing address of One Penn Plaza East, Newark, New Jersey 07105, hereinafter referred to as the Grantor, and **NORFOLK SOUTHERN RAILWAY COMPANY**, a corporation of the State of Virginia, having a mailing address at 110 Franklin Road SE, Roanoke, Virginia 24042-0028, hereinafter referred to as the Grantee.

WITNESSETH, that the said Grantor, for and in consideration of the sum of One Dollar (\$1.00) lawful money of the United States of America, unto it well and truly paid by the said Grantee, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, Grantor does by these presents, remise, release and forever quitclaim unto the said Grantee, the heirs or successors and assigns of the said Grantee, all right, title and interest of the said Grantor of, in and to the Premises as more particularly described on Exhibit 'A' appended hereto and made a part hereof.

All that property of the Grantor, together with all improvements, structures, buildings, tracks and appurtenances thereon, between approximately M.P. 4.04 and M.P. 4.98 being a portion of the line of railroad formerly known as the Bergen Line, Line Code 6102, and being all the property situated in Hudson County, New Jersey, described in Schedule "A" and depicted on Schedule "B" hereof, hereinafter, referred to as "Premises." A Map of the Premises is being filed simultaneously with the recording of this Deed in the Map Room of the Hudson County Register's Office.

THIS INSTRUMENT, is executed and delivered by Grantor, and is accepted by Grantee, subject to the covenants set forth below, which shall be deemed part of the consideration of this conveyance and which shall run with the land and be binding upon, and inure to the benefit of, the respective heirs, legal representatives, successors and assigns of Grantor and Grantee. Grantee hereby knowingly, willingly, and voluntarily waives the benefit of any rule, law, custom, or statute of the State of New Jersey now or hereafter in force with respect to the covenants set forth below:

TAX REFERENCE:

Tax Lot 2 (portion) Block 20 in Secaucus Township

UNDER and SUBJECT, however, to (1) whatever rights the public may have to the use of any roads, alleys, bridges or streets crossing the Premises, (2) any streams, rivers, creeks and water ways passing under, across or through the Premises, and (3) any easements or agreements of record or otherwise affecting the Premises, and to the state of facts which a personal inspection or accurate survey would disclose, and to any pipes, wires, poles, cables, culverts, drainage courses or systems and their appurtenances now existing and remaining in, on, under, over, across and through the Premises, together with the right to maintain, repair, renew, replace, use and remove same.

THIS INSTRUMENT is executed and delivered by Grantor, and is accepted by Grantee, subject to the covenants set forth below, which shall be deemed part of the consideration of this conveyance and which shall run with the land and be binding upon, and inure to the benefit of, the respective heirs, legal representatives, successors and assigns of Grantor and Grantee. Grantee hereby knowingly, willingly, and voluntarily waives the benefit of any rule, law, custom, or statute of the State of New Jersey now or hereafter in force with respect to the covenants set forth below:

(1.) Grantor shall neither be liable or obligated to construct or maintain any fence or similar structure between the Premises and adjoining land of Grantor nor shall Grantor be liable or obligated to pay for any part of the cost or expense of constructing or maintaining any fence or similar structure, and Grantee hereby forever releases Grantor from any loss or damage, direct or consequential, that may be caused by or arise from the lack or failure to maintain any such fence or similar structure.

(2.) Grantor shall not have or assert any claim or demand whatsoever for compensation for damages, whether said damages be direct or consequential, to the land hereinbefore described or to any buildings or improvements now or hereafter erected after the purchase or to the contents thereof, which may be caused by the operation, maintenance, repair or renewal of the Premises or which may be caused by vibration resulting from the operation, maintenance, repair or renewal thereof, and Grantor hereby expressly releases Grantee from liability for any such damages.

(3.) In the event the Premises is elevated or depressed, or the grades of any streets, avenues, roads, lanes, highways or alleys over said right-of-way in the vicinity of the land hereinbefore described are changed so that they shall pass overhead or underneath the said right-of-way or in the event any grade crossing is vacated or closed, Grantor shall not ask, demand, recover or receive any compensation whatsoever for any damage of whatsoever nature caused by or in any manner growing out of the separation of change of grades of said right-of-way and/or said streets, avenues, roads, lanes, highways or alleys or out of the vacation and closing of any grade crossing.

(4.) Right or means of ingress, egress or passageway to or from the Premises (land) hereinbefore described is not hereby granted, specifically or by implication, and Grantee shall not and will not be liable or obligated to obtain for Grantor such means of ingress, egress or passageway to and from the Premises. Grantor shall obtain a means of access to and from the Premises at Grantor's own cost and expense.

(5.) Should a claim adverse to the title hereby quitclaimed be asserted and/or proved, no recourse shall be had against the Grantor herein.

TOGETHER with all right, title and interest that Grantor may have in and to the streets and to the lands underlying the streets contiguous to and above and below the Premises conveyed herein.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in any wise appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, claim and demand

whatsoever of it, the said Grantor as well at law as in equity or otherwise howsoever of, in and to the same and every part thereof, UNDER and SUBJECT and provided as aforesaid.

TO HAVE AND TO HOLD, all and singular the said Premises, together with the appurtenances, unto the Grantee, the heirs or successors and assigns of the Grantee, forever, UNDER and SUBJECT as provided herein.

THE words "Grantor" and "Grantee" used herein shall be construed as if they read "Grantors" and "Grantees", respectively, whenever the sense of this instrument so requires and whether singular or plural, such words shall be deemed to include at all times and in all cases the heirs, legal representatives or successors and assigns of the Grantor and Grantee.

Being a portion of the property conveyed by Consolidated Rail Corporation to the State of New Jersey acting by and through the Commuter Operating Agency of the New Jersey Department of Transportation, predecessor in interest of New Jersey Transit Corporation who took title to all properties conveyed to the Commuter Operating Agency by N.J.S.A. 27:25-21, by Deed dated March 31, 1979, recorded in the Hudson County Clerk's Office at Deed Book 6722, Page 130 on December 16, 1982.

IN WITNESS WHEREOF, the Grantor has caused this Indenture to be signed in its name and behalf of New Jersey Transit Corporation, by its duly authorized representative, and has caused its corporate seal to be hereunto affixed and attested by its Board Secretary, the day and year first above written.

SEALED and DELIVERED
in the presence of us:

NEW JERSEY TRANSIT CORPORATION

Joyce Zuczek
Acting Board Secretary

Michael Lihvarcik
Acting Chief Financial Officer and Treasurer

This Deed has been approved as to form only.

Jeffrey S. Chiesa
Attorney General of New Jersey

By: _____
Martin Gill
Deputy Attorney General

STATE OF NEW JERSEY)
 : SS
COUNTY OF ESSEX)

BE IT REMEMBERED, that on this _____ day of _____ in the year Two Thousand Twelve (2012), before me, the subscriber, a Notary Public for the State of New Jersey, personally appeared Michael Lihvarcik, Acting Chief Financial Officer and Treasurer of New Jersey Transit Corporation, the Grantor named in the within Instrument, who I am satisfied is the person who has signed the within Instrument on behalf of said Corporation; and I having first made known to her the contents thereof, she did acknowledge that she signed, sealed and delivered the same as such officer aforesaid; that the foregoing Instrument is the voluntary act and deed of said Corporation, made by virtue of authority from its Board of Directors; and that the full and actual consideration paid or to be paid for the transfer of title to realty evidenced by the within Instrument as such consideration is defined in _____, is One Dollar (\$1.00).

Notary Public/Attorney at Law

Schedule "A"

Premises

All that portion of the right-of-way of railroad of New Jersey Transit Corporation formerly known as the Bergen County Line and identified as Line Code 6102 in the records of the United States Railway Association, situate in the Township of Secaucus, County of Hudson and State of New Jersey;

Beginning at approximately Mile Post 4.04 of said line, being also Station 214+03.70 at the northerly line of Seaview Drive Extension;

There being a two track 100 foot right of way measured 50 feet easterly and 50 feet westerly from the centerline of the two passenger tracks which are situate to the west of Croxton Yard along with any and all existing tracks and facilities which are situate within the 100 foot right-of-way conveyed to Grantee. Said 100 foot right-of-way commences at Station 214+03.70 and continues to a junction with the existing westerly property line as depicted on Map V9 NJ/4 at Station 250+20;

Thence, continuing in a general northwesterly direction being a to a point ending at Mile Post 4.93, being also Station 253+66.9 as depicted on Map V9 NJ/4..

Subject to any and all encumbrances apparent or of record.

Being a portion of the property conveyed by Consolidated Rail Corporation to the State of New Jersey acting by and through the Commuter Operating Agency of the New Jersey Department of Transportation, predecessor in interest of New Jersey Transit Corporation who took title to all properties conveyed to the Commuter Operating Agency by N.J.S.A. 27:25-21, by Deed dated March 31, 1979, recorded in the Hudson County Clerk's Office at Deed Book 6722, Page 130 on December 16, 1982.

Schedule "B"
Depiction of Premises

APPENDIX B-1

Assignment Agreement
(Norfolk Southern to NJ Transit)

[See Attached]

THIS ASSIGNMENT made this ____ day of _____ 2012 by Norfolk Southern Railway Company, having offices at _____, ("NS") to

New Jersey Transit Corporation having offices at One Penn Plaza East, Newark, New Jersey 07105 ("NJ Transit").

WITNESSETH:

WHEREAS:

A. Simultaneously herewith NS transferred title to certain real property premises located in the cities of Bloomfield, Belleville and Newark, Essex County, New Jersey (the "Property"); and

B. As condition to the transfer of title, NJ Transit has required that NS execute and deliver this Assignment Agreement.

NOW, THEREFORE, in consideration of the making of the transfer of title NS hereby agrees as follows:

1. Assignment. NS hereby transfers and assigns to NJ Transit all of its right, title and interest in and to the following licenses, permits and contracts that are in Exhibit A attached hereto ("Agreement"):

(a) All assignable governmental permits, licenses, approvals, registrations, certificates and applications pertaining to the Property whether now existing, presently pending, or hereafter issued, and any renewals or extensions thereof; and

(b) All management, maintenance, service and repair contracts, warranties and guaranties relating to the Property or any portion thereof; and

(c) All contracts for utilities and utility occupations for the Property:

2. Ownership. NS covenants, warrants and represents that (i) it is the sole owner of all of its rights in the licenses, permits and contracts, and (ii) it has not encumbered, assigned or granted a security interest therein.

3. No Liability Assumed. By acceptance of this Assignment, NJ Transit does not assume any of NS's obligations or liabilities under any of the Agreements that preexisted the closing.

NS hereby agrees to indemnify and save harmless from any loss, damage or expense (including reasonable attorneys' fees) which it may suffer or sustain as a result of NJ Transit's acceptance of this Assignment.

4. Severability. In the event any term or provision of this Assignment shall be invalid, illegal or unenforceable in any respect, the validity of the remaining terms and provisions contained herein shall in no way be affected, diminished or disturbed thereby.

5. Binding. This Agreement shall be binding upon NJ Transit and NS, and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has duly executed this Assignment as of the day and year first above written.

WITNESS OR ATTEST:

NORFOLK SOUTHERN RAILWAY
COMPANY

By: _____

EXHIBIT "A"

None.

APPENDIX B-2

Assignment Agreement
(NJ Transit to NS)

[See Attached]

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT made this ____ day of _____ 2012 by New Jersey Transit Corporation ("NJ Transit") to Norfolk Southern Railway Company ("NS")

WITNESSETH:

WHEREAS:

A. Simultaneously herewith NJ Transit transferred title to certain real property premises located in Secaucus Township, Bergen County, New Jersey (the "Property"); and

B. As condition to the transfer of titled, NS has required that NJ Transit execute and deliver this Assignment Agreement.

NOW, THEREFORE, in consideration of the making of the transfer of title NJ Transit hereby agrees as follows:

1. Assignment. NJ Transit hereby transfers and assigns to NS all of its right, title and interest in and to the following licenses, permits and contracts that are noted on Exhibit A attached hereto ("Agreement"):

(a) All assignable governmental permits, licenses, approvals, registrations, certificates and applications pertaining to the Property whether now existing, presently pending, or hereafter issued, and any renewals or extensions thereof; and

(b) All management, maintenance, service and repair contracts, warranties and guaranties relating to the Property or any portion thereof; and

(c) All contracts for utilities and utility occupations for the Property.

2. Ownership. NJ Transit covenants, warrants and represents that (i) it is the sole owner of all of its rights in the licenses, permits and contracts, and (ii) it has not encumbered,

assigned or granted a security interest therein.

3. No Liability Assumed. By acceptance of this Assignment, NS does not assume any of NJ Transit's obligations or liabilities under any of the Agreements that preexisted the Closing.

4. NJ Transit hereby agrees to indemnify and save harmless from any loss, damage or expense (including reasonable attorneys' fees) which it may suffer or sustain as a result of NS's acceptance of this Assignment.

5. Severability. In the event any term or provision of this Assignment shall be invalid, illegal or unenforceable in any respect, the validity of the remaining terms and provisions contained herein shall in no way be affected, diminished or disturbed thereby.

6. Binding. This Agreement shall be binding upon NS and NJ Transit, and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has duly executed this Assignment as of the day
and year first above written.

WITNESS OR ATTEST.

NEW JERSEY TRANSIT CORPORATION

By: _____
Michael Libvarcik
Acting Chief Financial Officer

Approved as to legal form only

JEFFREY S. CHIESA
Attorney General of the State of New Jersey

By: _____
Martin Gill
Deputy Attorney General

EXHIBIT "A"

None.

Appendix B-3 - Exceptions to Assignment Agreements

None for Either Assignment Agreement

**Appendix C – Second Operating Agreement for the Orange Industrial track between NS and NJ
TRANSIT**

[See Attached]

SECOND OPERATING AGREEMENT FOR THE ORANGE INDUSTRIAL TRACK
Between Norfolk Southern Railway Company and New Jersey Transit
Corporation

THIS SECOND OPERATING AGREEMENT made this _____ day of _____, 2012, by and between NORFOLK SOUTHERN RAILWAY COMPANY (hereinafter referred to as "NS RAILWAY") and NEW JERSEY TRANSIT CORPORATION (hereinafter referred to as "NJ TRANSIT").

WHEREAS, NJ TRANSIT and NS RAILWAY are entering into an Exchange Agreement of even date, by which NS RAILWAY is conveying to NJ TRANSIT all of NS RAILWAY's rights, title and interest in and to the real estate which constitutes NS RAILWAY's Orange Industrial Track (LC 6170) between Milepost 8.616 and Milepost 9.905; and

WHEREAS, NS RAILWAY will retain an exclusive, perpetual and irrevocable easement in the Orange Industrial Track, after purchase by NJ TRANSIT, for the provision of rail service; and

WHEREAS, since 2001, NJ TRANSIT has operated light rail service between Milepost 9.156 and Milepost 9.839 and utilizes such property to access its maintenance yard facilities; and

WHEREAS, NS RAILWAY is a successor in interest to that certain Trackage Rights Agreement entered into between Consolidated Rail Corporation and NJ TRANSIT which became effective as of October 1, 1984, (hereinafter referred to as "Trackage Rights Agreement"); and

WHEREAS, pursuant STB proceeding No. 33388, NS RAILWAY assumed common carrier operating rights of the Orange Industrial Track from Conrail and agreed to abide by the terms of the Trackage Rights Agreement; and

WHEREAS, NS RAILWAY and NJ TRANSIT recognize that the provisions of the Trackage Rights Agreement need to be further supplemented in order to accommodate the ownership changes of both parties as provided herein.

NOW, THEREFORE, NS RAILWAY and NJ TRANSIT, intending to be legally bound, agree to supplement the Trackage Rights Agreement as follows:

1. Except as otherwise provided herein, all terms, covenants and conditions of the Trackage Rights Agreement are hereby incorporated by reference and made a part of this Agreement.

2. During the term of this Operating Agreement, that portion of the Orange Industrial Track between the west side of Franklin Avenue, Milepost 9.156, and the east side of Grove Street, Bloomfield, NJ (Milepost 9.839) known as the Orange Industrial Track (the "Rail Property") shall be designated as a "Category NFP Rail Property" in accordance with the provisions of the Trackage Rights Agreement. During the term of this Operating Agreement, two segments of track will be designated as "Category NF Rail Property" in accordance with the provisions of the Trackage Rights Agreement. They are: (1) from the East Side of Grove Street, Bloomfield, New Jersey (Milepost 9.839) heading westerly to the East Side of Bloomfield Avenue, Bloomfield, New Jersey (Milepost 9.905); and (2) from the West Side of Franklin Avenue (Milepost 9.156) heading easterly to the cutline located at a point West of the Boonton Line at Milepost 8.616.
3. Upon the Effective Date of this Agreement, which is specified in Paragraph 4 hereof, NS RAILWAY shall have the right to access and use the Orange Industrial Track at any time upon 48 hours notice to NJ TRANSIT.
4. The term of this Operating Agreement shall begin upon closing of title to the Orange Industrial Track (the "Effective Date") and shall continue until NS RAILWAY abandons freight operations on the Orange Industrial Track.

IN WITNESS WHEREOF, NS RAILWAY and NJ TRANSIT, by their authorized representatives, hereby cause this Operating Agreement to be executed as of the date first set forth above.

WITNESS: NORFOLK SOUTHERN RAILWAY COMPANY

_____ By: _____

WITNESS: NEW JERSEY TRANSIT CORPORATION

_____ By: _____

STEVEN SANTORO
Assistant Executive Director
Capital Planning and Programs

This Agreement has been reviewed and approved as to form only.

JEFFREY S. CHIESA
Attorney General of New Jersey

By: _____

Exhibit 4


Quitclaim Deed

For A Portion of

The Orange Industrial Track, The County of Essex, New Jersey

[attached hereto]

THIS INSTRUMENT PREPARED BY.



Luis Cataland
Norfolk Southern Railway Company
1200 Peachtree Road, NE, 12th Floor
Atlanta, Georgia 30309

QUITCLAIM DEED

THIS DEED, made the _____ day of _____, Two Thousand Twelve (2012),

BETWEEN, NORFOLK SOUTHERN RAILWAY COMPANY, a corporation of the Commonwealth of Virginia, having a mailing address at 110 Franklin Road SE, Roanoke, Virginia 24042-0028, hereinafter referred to as the Grantor, and NEW JERSEY TRANSIT CORPORATION, an instrumentality of the State of New Jersey, having a mailing address of One Penn Plaza East, Newark, New Jersey 07105, hereinafter referred to as the Grantee.

WITNESSETH, that the said Grantor, for and in consideration of the conveyance of property by Grantee to Grantor by Deed of even date hereof, which property the Parties hereto deem to be of equal value and for the sum of One Dollar (\$1.00) lawful money of the United States of America, unto it well and truly paid by the said Grantee, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, Grantor does by these presents, remise, release and forever quitclaim unto the said Grantee, the successors and assigns of the said Grantee, all right, title and interest of the said Grantor of, in and to the Premises as more particularly described on Exhibit 'A' appended hereto and made a part hereof.

All that property of the Grantor, together with all improvements, structures, buildings, tracks and appurtenances thereon, between Railway Valuation Station 451+ 50 and Railway Valuation Station 518 + 75 being a portion of the line of railroad known as the Orange Industrial Track, Line Code 6170, and being all the property situated the City of Newark Township of Belleville and Township of Bloomfield, all in Essex County, New Jersey, described in Exhibit "A" and depicted on Exhibit "B" hereof, hereinafter, referred to as 'Premises.'

TAX REFERENCE: Township of Bloomfield: Block 64 Lot 1, Block 361 Lot 20, and Block 391 Lot 80

TAX REFERENCE: Township of Belleville: Block 202 Lot 1

TAX REFERENCE: City of Newark Block 792 Lot 20, Block 800 Lot 20, Block 803 Lot 50, Block 806 Lot 70, and Block 849.01 Lot 30

UNDER and SUBJECT, however, to (1) whatever rights the public may have to the use of any roads, alleys, bridges or streets crossing the Premises, (2) any streams, rivers, creeks and water ways passing under, across or through the Premises, and (3) any easements or agreements of record or otherwise affecting the Premises, and to the state of facts which a personal inspection or accurate survey would disclose, and to any pipes, wires, poles, cables, culverts, drainage courses or systems

and their appurtenances now existing and remaining in, on, under, over, across and through the Premises, together with the right to maintain, repair, renew, replace use and remove same

EXCEPTING AND RESERVING unto Grantor, its successors, assigns and affiliates the exclusive, perpetual, transferable, assignable and irrevocable retained rail freight rights in the Orange Industrial Track to physically serve, with its own crews and locomotives, or the crew or locomotives of its owners, affiliates, transferees or assignees, present and future rail shippers with access to the Orange Industrial Track, all as more fully described in the Operating Agreement between Grantor and Grantee. NJ TRANSIT acknowledges Grantor's retained rights, and that NJ TRANSIT neither has nor will have any right to serve present and future rail freight shippers, and will make no attempt to construct additional sidings to serve such shippers for its own account or to circumvent this agreement by other means directly or indirectly. Grantor's rights hereunder shall terminate upon receiving proper authorization to abandon such service

FURTHER EXCEPTING AND RESERVING unto Grantor, its successors, assigns and affiliates, an exclusive easement for the installation, construction, maintenance, utilization and replacement (including but not limited to ingress and egress) of four (4) existing signboards and other displays located in the vicinity of the Grove Street crossing at Milepost 9.86 in Bloomfield, New Jersey, as depicted in Exhibit C hereto, under an Agreement between Grantor and CBS Outdoor, dated November 1, 1999, until the expiration of said agreement on May 31, 2024. Any use and enjoyment of this Reserved Easement by Grantor, its successors, assigns and affiliates shall be subject to the provisions of Grantee's General Conditions applying to the occupancy of its right-of-way which are then in effect.

THIS INSTRUMENT is executed and delivered by Grantor, and is accepted by Grantee, subject to the covenants set forth below, which shall be deemed part of the consideration of this conveyance and which shall run with the land and be binding upon, and inure to the benefit of, the respective legal representatives, successors and assigns of Grantor and Grantee. Grantee hereby knowingly, willingly, and voluntarily waives the benefit of any rule, law, custom, or statute of the State of New Jersey now or hereafter in force with respect to the covenants set forth below:

(1.) Grantor shall neither be liable or obligated to construct or maintain any fence or similar structure between the Premises and adjoining land of Grantor nor shall Grantor be liable or obligated to pay for any part of the cost or expense of constructing or maintaining any fence or similar structure, and Grantee hereby forever releases Grantor from any loss or damage, direct or consequential, that may be caused by or arise from the lack or failure to maintain any such fence or similar structure.

(2.) Grantor shall not have or assert any claim or demand whatsoever for compensation for damages, whether said damages be direct or consequential, to the land hereinbefore described or to any buildings or improvements now or hereafter erected after the purchase or to the contents thereof, which may be caused by the operation, maintenance, repair or renewal of the Premises or which may be caused by vibration resulting from the operation, maintenance, repair or renewal thereof, and Grantor hereby expressly releases Grantee from liability for any such damages.

(3.) In the event the Premises is elevated or depressed, or the grades of any streets, avenues, roads, lanes, highways or alleys over said right-of-way in the vicinity of the land hereinbefore described are changed so that they shall pass overhead or underneath the said right-of-way or in the event any grade crossing is vacated or closed, Grantor shall not ask, demand, recover or receive any compensation whatsoever for any damage of whatsoever nature caused by or in any manner growing out of the separation or change of grades of said right-of-way and/or said streets, avenues, roads, lanes, highways or alleys or out of the vacation and closing of any grade crossing.

(4.) Right or means of ingress, egress or passageway to or from the Premises (land) hereinbefore described is not hereby granted, specifically or by implication, and Grantor shall not and will not be liable or obligated to obtain for Grantee such means of ingress, egress or passageway to and from the Premises. Grantee shall obtain a means of access to and from the Premises at Grantee's own cost and expense.

(5) Should a claim adverse to the title hereby quitclaimed be asserted and/or proved, no recourse shall be had against the Grantor herein.

TOGETHER with all right, title and interest that Grantor may have in and to the streets and to the lands underlying the streets contiguous to and above and below the Premises conveyed herein

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in any wise appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, claim and demand whatsoever of it, the said Grantor as well at law as in equity or otherwise howsoever of, in and to the same and every part thereof, UNDER and SUBJECT and provided as aforesaid.

TO HAVE AND TO HOLD, all and singular the said Premises, together with the appurtenances, unto the Grantee, the successors and assigns of the Grantee, forever, UNDER and SUBJECT as provided herein.

THE words "Grantor" and "Grantee" used herein shall be construed as if they read "Grantors" and "Grantees", respectively, whenever the sense of this instrument so requires and whether singular or plural, such words shall be deemed to include at all times and in all cases the legal representatives or successors and assigns of the Grantor and Grantee.

BEING a portion of the same property conveyed to Pennsylvania Lines LLC, a Delaware limited liability company which merged into PRR Newco, Inc., a Virginia corporation as the surviving entity, which in turn merged into Grantor herein, as the surviving entity) by Consolidated Railroad Corporation by Quitclaim Deed and recorded in the Essex County Register's Office at Deed Book 4843, Page 536, which was corrected by Deed of Correction dated April 7, 2000 recorded in the Essex County Register's Office at Deed Book 5701, Page 0342.

Together with all rights, title and interest the Grantor may have in said parcel and in parcel No. 18 as recorded May 6, 1929, in Deed Book M79, Page 465 and in parcel No. 21 recorded January 26, 1935, in Deed Book 345, Page L88, in Essex County, New Jersey, as shown on valuation map V12NJ/2.

IN WITNESS WHEREOF the Grantor has caused this Indenture to be signed in its name and behalf of Norfolk Southern Railway Company, by its Assistant Vice President – Real Estate, and has caused its corporate seal to be hereunto affixed and attested by its Assistant Corporate Secretary, the day and year first above written.

SEALED and DELIVERED
in the presence of us:

NORFOLK SOUTHERN RAILWAY COMPANY

By: [Signature]
Assistant Corporate Secretary

By: [Signature]
P.G. Carroll
Assistant Vice President – Real Estate

STATE OF GEORGIA)
) SS
COUNTY OF FULTON)

BE IT REMEMBERED, that on this 4th day of March in the year Two Thousand Twelve (2012), before me, the subscriber, a Notary Public for the State of Georgia, personally appeared P. G. Carroll, Assistant Vice President – Real Estate, the Grantor named in the within Instrument, who I am satisfied is the person who has signed the within Instrument on behalf of said Corporation; and I having first made known to her the contents thereof, she did acknowledge that she signed, sealed and delivered the same as such officer aforesaid; that the foregoing Instrument is the voluntary act and deed of said Corporation, made by virtue of authority from its Board of Directors; and that the full and actual consideration paid or to be paid for the transfer of title to realty evidenced by the within Instrument as such consideration is One Dollar (\$1.00).

[Signature]
Notary Public

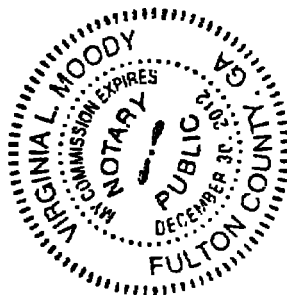


Exhibit "A"

Premises

All that portion of railroad known as the Orange Industrial Track (former Erie Railroad Company) main track and identified as Line Code 6170 in the records of the United States Railway Association, situate in the City of Newark, Township of Bloomfield, and Township of Belleville all in the County of Essex and State of New Jersey, beginning at the intersection of the centerline of the main track and the westerly right of way line of Lake Street extended, at railway valuation station 451 + 50 (at approximately MP 8.616) more or less, as shown on valuation map V12NJ/1;

Thence with said railway continuing in a general southwesterly and westerly direction with a strip of land varying in widths on each side of the centerline of said railway for a distance of 6678 feet more or less, to the point of ending in the Town of Bloomfield, said point being located at the easterly right of way line of Bloomfield Avenue at railway valuation station 518 + 75, more or less, as shown on valuation map V12NJ/3, along with all existing tracks and facilities which are situate within the right of way conveyed to Grantee.

Together with all rights, title and interest the grantor may have in said parcel and in parcel No. 18 as recorded May 6, 1929, in Deed Book M79, Page 465 and in parcel No. 21 recorded January 26, 1935, in Deed Book 345 Page L88, in Essex County, New Jersey, as shown on valuation map V12NJ/2

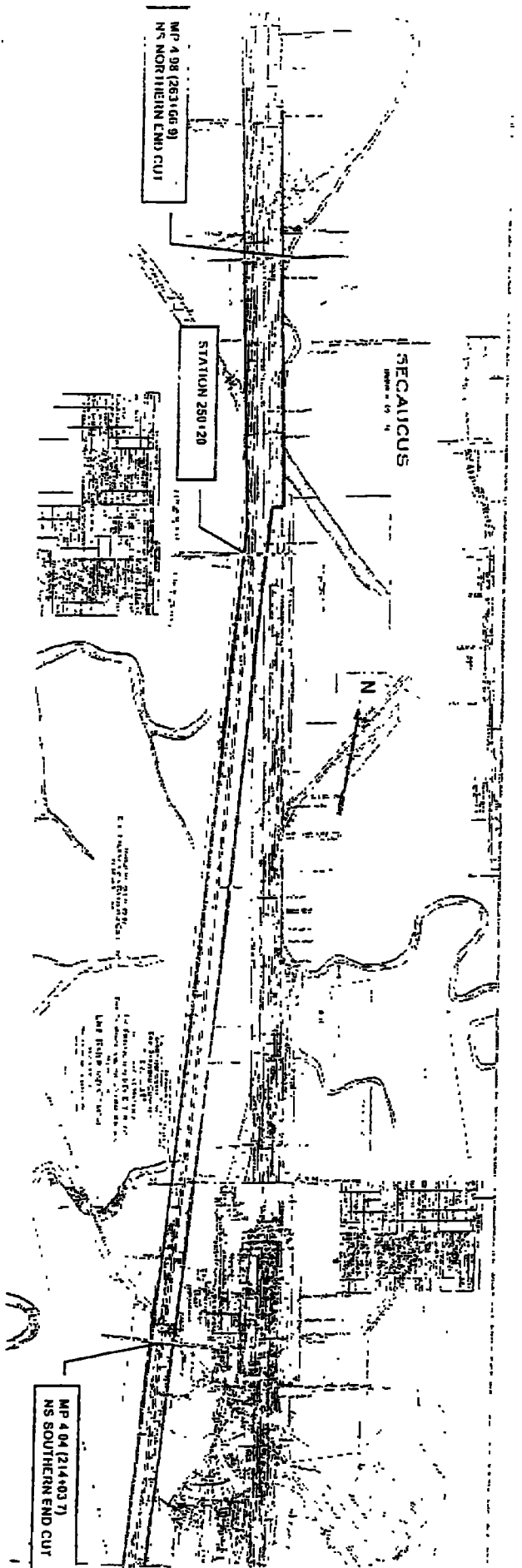
Subject to any and all encumbrances apparent or of record.

BEING a portion of the same property conveyed to Pennsylvania Lines LLC, a Delaware limited liability company which merged into PRR Newco, Inc., a Virginia corporation as the surviving entity, which in turn merged into Grantor herein, as the surviving entity) by Consolidated Railroad Corporation by Quitclaim Deed and recorded in the Essex County Register's Office at Deed Book 4843, Page 536, which was corrected by Deed of Correction dated April 7, 2000 recorded in the Essex County Register's Office at Deed Book 5701, Page 0342.

Exhibit "B"

Depiction of Premises

[See attached]



148114
 A TIME SURVEY SET ON MAPS IS AVAILABLE IN THE OFFICES OF NORTH & SOUTHERN RAILWAY

STATE OF NEW JERSEY
 DEPARTMENT OF TRANSPORTATION
 NORTH & SOUTHERN RAILWAY
 APPROXIMATE TOTAL ACRES 17.7 ACRES
 LINE CODE 6102
 DATE MAY 2 2012
 MAP 1 OF 1

Exhibit 5

Second Operating Agreement for the Orange Industrial Track

[attached hereto]

**SECOND OPERATING AGREEMENT FOR THE ORANGE INDUSTRIAL TRACK
Between Norfolk Southern Railway and New Jersey Transit
Corporation**

THIS SECOND OPERATING AGREEMENT made this 7th day of August, 2012, by and between NORFOLK SOUTHERN RAILWAY COMPANY (hereinafter referred to as "NS RAILWAY") and NEW JERSEY TRANSIT CORPORATION (hereinafter referred to as "NJ TRANSIT").

WHEREAS, NJ TRANSIT and NS RAILWAY are entering into an Exchange Agreement of even date, by which NS RAILWAY is conveying to NJ TRANSIT all of NS RAILWAY's rights, title and interest in and to the real estate which constitutes NS RAILWAY's Orange Industrial Track (LC 6170) between Milepost 8.616 and Milepost 9.905; and

WHEREAS, NS RAILWAY will retain an exclusive, perpetual and irrevocable easement in the Orange Industrial Track, after purchase by NJ TRANSIT, for the provision of rail service; and

WHEREAS, since 2001, NJ TRANSIT has operated light rail service between Milepost 9.156 and Milepost 9.839 and utilizes such property to access its maintenance yard facilities; and

WHEREAS, NS RAILWAY is a successor in interest to that certain Trackage Rights Agreement entered into between Consolidated Rail Corporation and NJ TRANSIT which became effective as of October 1, 1984, (hereinafter referred to as "Trackage Rights Agreement"); and

WHEREAS, pursuant STB proceeding No. 33388, NS RAILWAY assumed common carrier operating rights of the Orange Industrial Track from Conrail and agreed to abide by the terms of the Trackage Rights Agreement; and

WHEREAS, NS RAILWAY and NJ TRANSIT recognize that the provisions of the Trackage Rights Agreement need to be further supplemented in order to accommodate the ownership changes of both parties as provided herein.

NOW, THEREFORE, NS RAILWAY and NJ TRANSIT, intending to be legally bound, agree to supplement the Trackage Rights Agreement as follows:

1. Except as otherwise provided herein, all terms, covenants and conditions of the Trackage Rights Agreement are hereby incorporated by reference and made a part of this Agreement.
2. During the term of this Operating Agreement, that portion of the Orange Industrial Track between the west side of Franklin Avenue, Milepost 9.156, and the east side of Grove Street, Bloomfield, NJ (Milepost 9.839) known as the Orange Industrial Track (the "Rail Property") shall be designated as a "Category NFP Rail Property" in accordance with the provisions of the Trackage Rights Agreement. During the term of this Operating Agreement, two segments of track will be designated as "Category NF Rail Property" in accordance with the provisions of the Trackage Rights Agreement. They are: (1) from the East Side of Grove Street, Bloomfield, New Jersey (Milepost 9.839) heading westerly to the East Side of Bloomfield Avenue, Bloomfield, New Jersey (Milepost 9.905); and (2) from the West Side of Franklin Avenue (Milepost 9.156) heading easterly to the cutline located at a point West of the Boonton Line at Milepost 8.616.
3. Upon the Effective Date of this Agreement, which is specified in Paragraph 4 hereof, NS RAILWAY shall have

the right to access and use the Orange Industrial Track at any time upon 48 hours notice to NJ TRANSIT.

4. The term of this Operating Agreement shall begin upon closing of title to the Orange Industrial Track (the "Effective Date") and shall continue until NS RAILWAY abandons freight operations on the Orange Industrial Track.

IN WITNESS WHEREOF, NS RAILWAY and NJ TRANSIT, by their authorized representatives, hereby cause this Operating Agreement to be executed as of the date first set forth above.

WITNESS:

NORFOLK SOUTHERN RAILWAY COMPANY

Jaquelyn S. Beach

By: Patrick J. Whitehead 7/11/12

WITNESS:

Suzanne Shuman

NEW JERSEY TRANSIT CORPORATION

By: Steven Santoro

STEVEN SANTORO
Assistant Executive Director
Capital Planning and Programs

This Agreement has been reviewed and approved as to form only.

JEFFREY S. CHIESA
Attorney General of New Jersey

By: Ayelet Hirschhorn

Ayelet Hirschhorn
Deputy Attorney General

Exhibit 6

Proposed Caption Summary

**Before the
Surface Transportation Board**

Finance Docket No. 35638

**NEW JERSEY TRANSIT CORPORATION
– ACQUISITION EXEMPTION –
NORFOLK SOUTHERN RAILWAY COMPANY
IN THE COUNTY OF ESSEX, NEW JERSEY**

CAPTION SUMMARY

The New Jersey Transit Corporation (“NJ Transit”) has filed a Notice of Exemption to acquire from the Norfolk Southern Railway Company (“NSR”) a portion of the property commonly known as the “Orange Industrial Track” in Essex County, New Jersey, from M.P. 8.616 to M.P. 9.905 (the “Line”). NJ Transit will acquire the real property and railroad fixtures associated with the Line. NSR will retain an exclusive operating easement to continue to provide freight rail service over the Line. Because NJ Transit is an instrumentality of the State of New Jersey with legal authority only to provide mass transportation services and will not acquire either rights or obligations that implicate in any way the freight common carrier operations that remain attached to the Line, and thus will not become a rail carrier providing transportation subject to the jurisdiction of the Board, NJ Transit is simultaneously filing a Motion to Dismiss this Notice of Exemption.

Comments must be filed with the Board and served on Charles A. Spitulnik, Kaplan Kirsch & Rockwell LLP, 1001 Connecticut Avenue, NW, Suite 800, Washington, DC 20036. (202) 955-5600.

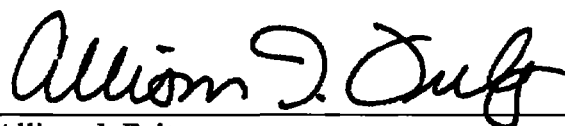
The Notice is filed under 49 C.F.R. §1150.31. If the Notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Certificate of Service

I hereby certify that I have this day caused a copy of the foregoing Notice of Exemption of the New Jersey Transit Corporation to be served by first class mail, properly addressed and with postage prepaid, upon the following parties of record to this proceeding:

Malcolm G. Roop
Norfolk Southern Railway Company
1200 Peachtree Street, N. E.
Atlanta, Georgia 30309

Greg E. Summy
Norfolk Southern Railway Company
Three Commercial Place
Norfolk, VA 23510


Allison I. Fultz

Dated: October 1, 2012